

# GREATER MARBLE HALL MUNICIPALITY



## ANNUAL REPORT JULY 2007 - JUNE 2008

TABLED AT COUNCIL ON 5 FEBRUARY 2009

## TABLE OF CONTENTS

Function	Sub-Function	Page
<b>Chapter 1 Introduction and Overview</b>		
1.1 Mayor's Foreword		3
1.2 Overview of the Municipality		5
1.3 Executive summary		8
<b>Chapter 2 Performance Highlights</b>		
2.1 Service delivery highlights		11
2.2 Backlogs in service delivery		13
2.3 Building and Zoning plans		15
<b>Chapter 3 Human Resource and Other Organisational Management</b>		
3.1 Program to improve skills development		16
3.2 Number of staff per function		18
3.2 Salary disclosure		19
<b>Chapter 4 Audited Statements and Related Financial Information</b>		
4.1 Financial statements		21
4.2 Audit report of the Auditor General		84
4.3 Report on the Auditor General's report		94
<b>Chapter 5 Functional Area Service Delivery Reporting</b>		
5.1 Finance and Administration	Finance	102
5.2 Planning and Development	Economic Development	112
5.3 Community services		116
Health	Clinics	116
Community and Social Services	All inclusive	116
Public Safety	Police (Traffic)	118
Waste Management	Solid Waste	122
5.4 Technical services		124
Waste Water Management	Sewerage	124
Housing		125
Road Transport	Roads	126
Water	Water Distribution	127
Electricity	Electricity Distribution	129
	Street Lighting	
5.5 Corporate services		133
Human resource and administration activities		135
I C T		138
Council support		

# **CHAPTER 1: INTRODUCTION AND OVERVIEW**

## **1.1 MAYOR'S FOREWORD**

The purpose of this report is to report back to the community and all stakeholders on the mandate and the task that this Council was charged with at the beginning of the financial year 2007/08. We present to you the achievements registered and the challenges encountered. The report covers a wide range of issues from infrastructure provisioning to organizational state.

Water has been identified as the most pressing and burning need, ranging from areas with no source of water to areas with absence of reticulation works. The Moutse West area in general is equipped with RDP reticulation infrastructure, but the source of water is totally insufficient and four water tankers were used to provide water to the residents.

The Greater Sekhukhune District Municipality has come to the party and made a provision in its 2007/2008 budget to address the bulk water service in the in Moutse West areas.

The Municipality in addressing the water problem has completed the following projects:

- Ward 13 and 14 have metered house connection.
- Ward 6 has metered house connection.
- Most villages from ward 8 to 12 have RDP standard services.

The economic facts of this country speak for themselves. A need for fostering job creation and economic growth rests with all stakeholders including local government sphere. The Minister of Finance, Mr. Trevor Manuel in his address to the SALGA national conference said "Local government should intervene by developing good local economic development plans that create economic opportunities. This has several benefits. It will present people with opportunities to engage in economic activities, thus enabling people to pay for service. The municipality has succeeded in developing the LED strategy which is aimed at addressing the issues just raised.

I am proud to announce that the following projects have been implemented within the municipality:

### **Roads infrastructure**

- Road from Senotlelo to Matlala Ramoshebo.
- Road from Zamenkomst to Matabane.
- Road from Phetwane and Apel.
- Road from Flag Boshielo dam to Mehlaeng was done in phases.
- Road from Mamphokgo North, South through Goru, Mabintwane and up to Maserumule Park.

### **Electricity services**

The Municipality aims to ensure that every household have access to electricity. Every village in the Greater Marble Hall municipality have been electrified and this even includes areas with only small farms and a very low household density. The focus will

now move to new extensions to ensure that every household receives electricity. Street lighting at Matlerekeng, Matlala Ramoshebo, Driefontein, Leewfontein, Elandskraal, Regae, Moganyaka, Regae and Mmotwaneng have completed.

#### Refuse removal

- Refuse removal service extended to Elandskraal, Regae and Hinlopen
- Cemetery Management plan compiled funded by DBSA

#### Sanitation

- 500 VIP toilets build at Keerom
- 500 VIP toilets build at Uitvlugt
- 196 VIP toilets build at Tshikanoshi

#### Community facilities

- A stadium at Elandskraal
- Sports facility and Hall at Malebitsa
- Community hall at Matlala Ramoshebo
- Community hall at Manapyane.

All the mentioned projects have been done with the sharing of the government's little resources received from the Government departments as well as from the income received from the Municipal area. It is along this basis our people are encouraged to pay for services so as to enable the municipality to eradicate the backlog of infrastructure as identified in IDP and to reach the millennium development goal.

The roll out of free basic services in the municipality has been going on a snail pace, only 3.8 % of people benefited out of this initiative. The Council of Greater Marble Hall commit it selves that this will be the priority in the coming financial years.

During the budget imbizo's it was fulfilling to see the communities attending in large numbers. The people must be commended, it shows that now the community are starting to take part in the affairs of the administration and the country.

In conclusion it is a foregone conclusion that careful planning and determination of priorities are of utmost importance throughout the budgeting and IDP review process of each year. Escalation due to inflation and the increased demand for services on the one hand, budget constraints imposed by limited financial resources, as well as the limits placed on the budget by the National Treasury on the other hand, makes annual budgeting the most daunting and important action to be exercised in Local Government. With all these challenges we should not forget our mandate to ensure that we bring basic services right to the doorstep of our people to better their lives.

## 1.2. OVERVIEW OF THE MUNICIPALITY

The Greater Marble Hall Municipality is situated in the western part of Greater Sekhukhune District municipality. The land area is approximately 1793 square kilometers. The Municipality has been incorporated in Limpopo Province in accordance with proclamation no.422 dated 27 December 2005.

The municipal area encompasses the towns of Marble Hall, Elandskraal, Leeuwfontein, Regae, Zamenkomst and rural villages.

The Municipality has an estimated population of 174375 people.

The Council is made up of 27 councillors, 14 ward councillors and 13 PR councillors.

### 1.2.1. EXECUTIVE AND COUNCIL

NAME AND INITIALS	TITLE	WARD	VILLAGES
Councillor E.K Laka	Ms	1	♦ Vlakplaas ♦ Spitspunt ♦ Driefontein
Councillor A.M. Mampana	Ms	2	♦ Mokwaneng ♦ Witfontein ♦ Tshikanoshi ♦ Doornlaagte
Councillor L.B Modisha	Ms	3	♦ Uitvlucht ♦ Keerom
Councillor L. Seloane	Ms	4	♦ Rathoke/Makeepsvlei ♦ Zamenkomst
Councillor T.T. Maila	Mr	5	♦ Toitskraal ♦ Wolwekraal
Councillor L.J Mphahlele	Mr	6	♦ Greater Marble Hall ♦ Swartkop
Councillor M.E. More	Mr	7	♦ Leeuwfontein ♦ Moosrivier
Councillor M.Y Mmakola	Ms	8	♦ Manapjane ♦ Moganyaka ♦ RDP Leeuwfontein
Councillor F.S. Sedibane	Mr	9	♦ Moeding ♦ Mamphokgo ♦ Makgatle (Hututu School) ♦ Thoke Primary School ♦ Mmatilu
Councillor P.M. Nkadimeng	Mr	10	♦ Boekenhoutlaagte ♦ Mmakgatle ♦ Selebaneng ♦ Ngwalemong

- ♦ Greenside
- ♦ Mabitsi 'B' Ga-Rakgoadi
- ♦ Goru
- ♦ Serithing
- ♦ Vaalbank

NAME AND INITIALS		TITLE	WARD	VILLAGES
Mayor	Councillor	M.M.	Ms	11
Maphanga				<ul style="list-style-type: none"> <li>♦ Ga-mathukuthela</li> <li>♦ Disanyane</li> <li>♦ Garagopola</li> <li>♦ Monotolwaneng</li> <li>♦ Moomane</li> <li>♦ Ga-Masha</li> <li>♦ Mohlalaotwane</li> <li>♦ Frischgewaagd</li> <li>♦ Ga-Mmela</li> </ul>
Councillor S.Z. Modige		Ms	12	<ul style="list-style-type: none"> <li>♦ Mohlotse</li> <li>♦ Ditholong</li> <li>♦ Tsimanyane</li> <li>♦ Mogalatsane</li> <li>♦ Phetwane</li> <li>♦ Matseding</li> <li>♦ Tompi Seleka</li> <li>♦ Mooihoek</li> <li>♦ Letebejane</li> <li>♦ Mashemong</li> </ul>
Councillor P.M. Mashabela		Mr	13	<ul style="list-style-type: none"> <li>♦ Elandskraal</li> <li>♦ Morarela</li> <li>♦ Mbuzini</li> </ul>
Councillor M.E. Mokwena		Ms	14	<ul style="list-style-type: none"> <li>♦ Dichoeung</li> <li>♦ Tsantsabela</li> </ul>

#### PR COUNCILLORS

Councillor P.M Matlala	Mr	PR Councillor
Councillor K.S.D Mokoka	Ms	PR Councillor
Councillor A.C Tsiane	Mr	PR Councillor
Councillor M.R Seono	Ms	PR Councillor
Councillor M.E Mohlamonyane	Mr	PR Councillor
Councillor W.M. Monama	Ms	PR Councillor
Councillor M.F.Lekola	Mr	PR Councillor
Councillor F.E Tladi	Ms	PR Councillor
Councillor W.M Mabaso	Ms	PR Councillor
Councillor S.B Mashego	Mr	PR Councillor
Councillor J Oosthuizen	Mr	PR Councillor
Councilors L.M Matlala	Mr	PR Councillor
Councillor J.M Napo	Mr	PR Councillor

#### MEMBERS OF THE EXECUTIVE COMMITTEE

Mayor M.M.Maphanga	Ms
Councillor L.J.Mphahlele	Mr

Councillor M.L. Seloane	Ms
Councillor J.Oosthuizen	Mr
Councillor M.E. Mohlamonyane	Mr

#### **MANAGERS**

S R Monakedi	Mr	Municipal Manager
A N Phokoane	Mr	Unit Manager Corporate Services
L P Langa	Ms	Chief Financial Officer
N C Motsepe	Ms	Unit Manager Community Services
S M Komape	Ms	Unit Manager Technical Services
B P Marais	Mr	IDP Manager

### **1.2.2. PORTFOLIO COMMITTEES**

#### **CORPORATE SERVICES PORTFOLIO COMMITTEE**

<b>NO</b>	<b>NAME OF COUNCILLORS</b>	<b>DESIGNATION</b>	<b>CELL NUMBERS</b>
1.	L.M. Seloane	Chairperson	082 575 6488
2.	F.S. Sedibane	Member	082 575 4816
3.	P.M. Nkadimeng	Member	082 575 4558
4.	W.M. Monama	Member	082 575 5244
5.	S.B. Mashego	Member	082 575 8168
6.	W.M. Mabaso	Member	082 575 5371

#### **FINANCE & IDP PORTFOLIO COMMITTEE**

1.	M. E Mohlamonyane	Chairperson	082 575 5656
2.	M.E. More	Member	082 575 8044
3.	M.R. Seono	Member	082 575 5274
4.	M.Y. Mmakola	Member	082 575 5363
5.	K.S.D Mokoka	Member	082 575 6617
6.	S.Z. Modige	Member	082 575 5835

#### **TECHNICAL & PLANNING PORTFOLIO COMMITTEE**

1.	L.J. Mphahlele	Chairperson	082 575 8108
2.	M.E. Mokwena	Member	082 575 5849
3.	P.M. Mashabela	Member	082 575 5429
4.	M.J. Napo	Member	082 575 5021
5.	E.K. Laka	Member	082 575 5411
6.	P.M. Matlala	Member	082 575 9517
7.	T.T. Maila	Member	082 575 5190

#### **COMMUNITY SERVICES PORTFOLIO COMMITTEE**

1.	J. Oosthuizen	Chairperson	082 575 6867
2.	F.E Tladi	Member	082 575 8104
3.	L.B. Modisha	Member	082 575 5207
4.	A.M. Mampama	Member	082 575 8146

5.	M.F. Lekola	Member	082 575 5394
6.	L.M. Matlala	Member	082 575 7313

#### **ETHICS & RULES COMMITTEE**

1.	A.C. Tsiane	Chairperson	082 575 6873
2.	L. Seloane	Member	082 575 6488
3.	J. Oosthuizen	Member	082 575 6867
4.	E.M Mokwena	Member	082 575 5849
5.	P.M. Nkadimeng	Member	082 575 4558

#### **OVERSIGHT COMMITTEE**

1.	Monama. W.M	Member	082 575 5244
2.	Modige Z.S	Member	082 575 5835
3.	More M.E	Member	082 575 8044
4.	Modisha L.B	Member	082 575 5207
5.	Matlala P.M	Member	082 575 9517

### **1.3 EXECUTIVE SUMMARY**

- 1 Greater Marble Hall Municipality is a semi urban local municipality. The name Marble Hall comes from the mineral deposits which were discovered in 1920 by a certain Mr Stoffel Visagie and his wife. Mr Visagie was not an English speaking person and could not properly pronounce the word “Marble hole” and pronounced it as marble hol, that is where the name Marble Hall comes from, although there was no mention of hall.

The Greater Marble Hall Municipality was established after the 2000 local election with the amalgamation of Marble Hall, part of Moutse TLC (West), Leeuwfontein, portion of Hlogotlou/Lepelle TRC, Greater Nebo North TRC, portion of Naboomspruit/Roedtan Thusang TLC and Springbokvlakte TLC. The Municipality was a cross border between Limpopo and Mpumalanga provinces. After the 2006 municipal elections the municipality was incorporated to Limpopo Province. The Municipality is at the border of the two above mentioned provinces. It is about 160km from Pretoria and about 190km from Polokwane.

The area is about 1911.07km<sup>2</sup> with . The amalgamation of parts of 8 former Transitional Local Council resulted in the establishment of the Greater Marble Hall Municipal area, with fourteen (14) wards. It has got one (1) town and two (2) R293 towns and 67 villages. The population of Greater Marble Hall Municipality is 174375.

The Municipality is providing water only in Marble Hall Moutse West, Matseding and Leeuwfontein, electricity only at Marble Hall the other areas are provided by ESKOM, solid waste only at Marble Hall and Leeuwfontein and sanitation only at Marble Hall and Leeuwfontein. Currently the Municipality is battling with the huge backlog in terms of water provision, sanitation and roads construction.



2. The average annual rainfall is about 634 mm. Marble Hall boasts a pleasant climate with an average maximum winter temperature of 23°C and an average maximum summer temperature of 29, 5°C
3. Population growth rates were derived from the latest DBSA growth rates their population estimates based on low and high HIV/Aids impact scenarios. An average of their growth rates for each scenario were determined and applied.

Ward	Population	Area (km <sup>2</sup> )	Density (p/km <sup>2</sup> )
1	12087	50.81	275.49
2	11180	156.65	71..36
3	10970	21.51	509.99
4	12632	54.51	231.73
5	15135	327.03	46.28
6	7064	308.48	22.89
7	7890	68.63	114.96
8	7658	32.65	234.54
9	8203	166.81	49.17
10	16561	155.57	106.45
11	19889	174.85	113.74
12	12968	128.97	100.55
13	16488	199.65	82.58
14	15650	64.95	240.95
Total	174375	1911.07 km <sup>2</sup>	91.24 p/km <sup>2</sup>

The average population density for the entire area is 91.24 persons/km<sup>2</sup>. The Western part (Ward 1 – 5) has an average of 226.97 persons per km<sup>2</sup>, the central part (Ward 6) has an average of 22,89 per km<sup>2</sup> whilst the Northern and Eastern part (Wards 7 – 14) has an average of 130.36 persons per km<sup>2</sup>.

More statistics can be obtained from the [IDP](#) (Integrated Development Plan) of Greater Marble Hall Municipality.

#### 4. VISION

VIABLE AND SUSTAINABLE MUNICIPALITY THAT PROVIDE QUALITY SERVICES

#### 5. MISSION

TO INVOLVE ALL SECTORS OF THE COMMUNITY IN ECONOMIC DEVELOPMENT WHILST IMPROVING SERVICE DELIVERY

6. Financial viability

The Municipality has developed a revenue enhancement strategy to bill Leeuwfontein and Elandsraal R293 towns for rates and refuse removal.

The Municipality has also compiled a valuation roll for these two areas and rates accounts will be issued in near future. As mentioned in paragraph 2 above the municipality is also busy with the registration of indigents for Council to subsidize them. This initiative of registration of indigents will require funding and the Council intend to use a certain percentage from the money received for free basic services to compile the register. This will definitely involve the community at large.

The progress thus far we managed to load the data for Leeuwfontein into the Munsoft system, although we have not yet been able to issue out accounts due to wrong opening balances, of which the Council is busy working on it. We have also issued a notice calling for consumers at Leeuwfontein who are unemployed to come and register as indigents to the office.

The challenges which the Municipality is faced with is that it is not going to be easy for Council to collect at the rate as in Marble Hall to other areas, as we all know that in the past rural areas used to get services free of charge. Therefore the Council is faced with a mammoth task of ensuring that education is done to our communities for payment of services.

## **CHAPTER 2 : PERFORMANCE HIGHLIGHTS**

### **2.1 SERVICE DELIVERY HIGHLIGHTS**

The Municipality continued to register noticeable progress in terms of various key service delivery areas. Electrification was provided to 430 households. The result of this is that all the villages and settlements within the Municipality have been electrified except Gareagopola. The only electrification request being received from communities is with regard to extension in these villages and settlements.

The Municipality continued to perform its primary function of being water service provider, having entered into a Service Level Agreement with the relevant Water Services Authority. The combine effort of both the Municipality and the Water Service Authority resulted in 172 more households being provided water. Some of our communities are not provided with regular water supply due to lack of service for bulk. The Water Services Authority is still addressing bulk source challenges. In the meantime these communities are benefiting from tankering service provided by both the Municipality and Water Services Authority.

The Municipality in addressing the water problem has completed the following projects:

- Ward 13 and 14 have metered erf connection.
- Ward 6 has metered house connection.
- Most villages from ward 8 to 12 have RDP stand pipes as reticulation.

The municipality built 70 RDP houses during the reporting period.

In respect of sanitation 667 VIP toilets were build in 3 villages

The minimum service standard used by the Municipality for the various services is as follows:

- Water – 6kl
- Electricity – 30KWH

Electricity services

The Municipality distributes electricity to Marble Hall town and three adjacent farms (Portions 374-376, Loskop 12-JS) in Ward 5. Eskom provides electricity directly to the consumers in the remainder of the Municipal area, which operate on a pre-paid system. Eskom compiled Electrification Master Plans to prioritise their electrification projects. There is a total of 15 Vending Stations in the area.

The only settlements of which part thereof is provided with street lighting or high mast lights, are Marble Hall, Leeuwfontein, Moganyaka South, Mamphokgo, Mmotwaneng, Regae and Elandskraal.

Community lights installed at Matlerekeng during 2006 and Driefontein during March 2007 .

The total backlog for for electricity connections in term of the ward committee visits are 3512 connections.

House hold electricity has been provided at Driefontein and the electricity backlog for the municipality has been reduced since year 2000 from 40% to less than 20%

The lack of electricity bylaws & policies, energy plan and energy efficiency (energy savers) will be addressed in 2007/8.

#### Other services

The municipality provide emergency services on behalf of the GSDM which include paramedic assistance for road accidents and fire brigade and disaster management services.

The other services rendered by the municipality include sports, art, culture, youth, gender and disability desk programs.

Free and subsidized basic services (social package) and financial implications.

The unemployment rate is 58% in the Greater Marble Hall Local Municipality and this poses a serious challenge to the Council for the provision of free basic services as well as payment of services. The Council is still in a process of registering indigents. The Council has started to provide free basic electricity. The number of households benefited out of this initiative is 5230.

#### Other services

Council has moved towards the implementation of uniform rates in the area of jurisdiction, therefore the assessment rates payable in rural areas are phased in once again as per the approved tariff policy of the municipality be phased in over the next 2 financial years as follows:

2007/2008 financial year	-	75% of urban rate
2008/2009 financial year	-	100% of urban rate

The denied income to the municipality as a result of a disparity in the assessment rates tariffs amounts to R 7.58 Million for the 2007/2008 financial year, this amount will be collectable in the 2008/2009 financial year once the council implements uniform assessment rate tariffs in its area of jurisdiction.

## 2.2 BACKLOGS IN SERVICE DELIVERY

	30 June 2008		
	Required	Budgeted	Actual
<b>Water Backlogs(6kl per month)</b>			
Backlogs to be eliminated(No Households not receiving minimum standard of service)	6 867	0	0
Backlogs to be eliminated(Percentage – HH identified as backlogs/total HH in municipality)	73%	0	0
Spending on new infrastructure to eliminate backlogs(Rand 000)	0	0	0
Spending on renewal of existing infrastructure to eliminate backlogs(Rand 000)	0	0	0
Total spending to eliminate backlogs(Rand 000)	0	0	0
Spending on maintenance to ensure no new backlogs created(Rand 000)	1 200 000.00	917 300.00	786 253.00
<b>Sanitation Backlogs</b>			
Backlogs to be eliminated(No Households not receiving minimum standard of service)	24 217	1196	1196
Backlogs to be eliminated(Percentage – HH identified as backlogs/total HH in municipality)	95%	4.69%	4.69%
Spending on new infrastructure to eliminate backlogs(Rand 000)	0	0	0
Spending on renewal of existing infrastructure to eliminate backlogs(Rand 000)	0	0	0
Total spending to eliminate backlogs(Rand 000)	0	0	0
Spending on maintenance to ensure no new backlogs created(Rand 000)	90 000.00	82 550.00	45 917.00
<b>Refuse Removal Backlogs</b>			
Backlogs to be eliminated(No Households not receiving minimum standard of service)	29 959	4182	4182
Backlogs to be eliminated(Percentage – HH identified as backlogs/total HH in municipality)	92.7%	12.9%	12.9%
Spending on new infrastructure to eliminate backlogs(Rand 000)	R1 250 000	R200.000	R196.500
Spending on renewal of existing infrastructure to eliminate backlogs(Rand 000)	0	0	0
Total spending to eliminate backlogs(Rand 000)	<u>R1 250.000</u>	R200.000	R196.500
Spending on maintenance to ensure no new backlogs created(Rand 000)	<u>R1 320.00</u>	R377 800	R310.000

	30 June 2008		
	Required	Budgeted	Actual
<b>Electricity Backlogs(30 KWH per month)</b>			
Backlogs to be eliminated(No Households not receiving minimum standard of service)	1782	116	0
Backlogs to be eliminated(Percentage – HH identified as backlogs/total HH in municipality)	5.51%	6.51%	0%
Spending on new infrastructure to eliminate backlogs(Rand 000)	16038	600	350
Spending on renewal of existing infrastructure to eliminate backlogs(Rand 000)	5000	1000	0
Total spending to eliminate backlogs(Rand 000)	18238	1600	350
Spending on maintenance to ensure no new backlogs created(Rand 000)	1000	450	127
<b>Road Backlogs</b>			
Backlogs to be eliminated(No Households not receiving minimum standard of service)	404	4.42	1.6
Backlogs to be eliminated(Percentage – HH identified as backlogs/total HH in municipality)	89.6%	0.98%	0.35%
Spending on new infrastructure to eliminate backlogs(Rand 000)	727 000 000.00	4 500 000.00	2 500 000.00
Spending on renewal of existing infrastructure to eliminate backlogs(Rand 000)	36 6000 000.00	0	0
Total spending to eliminate backlogs(Rand 000)	763 600 000.00	4 500 000.00	2 500 000.00
Spending on maintenance to ensure no new backlogs created(Rand 000)	1 200 00.00	1 101 600.00	508 144.00

## 2.3 BUILDING AND ZONING PLANS

<b>Applications outstanding 1 July 2007</b>	<b>Category</b>	<b>Number of new applications received 2007/8</b>	<b>Total value of applications received</b>  <b>Rand</b>	<b>Applications outstanding 30 June 2008</b>
0	<b>Residential new</b>	40	8239 0000	0
0	<b>Residential additions</b>	0	0	0
0	<b>Commercial</b>	0	0	0
0	<b>Industrial</b>	0	0	0
0	<b>Other (specify)</b>	0	0	0

## **CHAPTER 3 – HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT**

### **3.1 PROGRAMS TO IMPROVE SKILLS DEVELOPMENT**

<i>Learning Program (e.g Learnership /Skills Programs/Bursary, Internship)</i>	<i>Name of Learning Programme</i>	<b>BENEFICIARIES</b>			<b>BUDGET</b>		<i>Narratives ( progress achieved to date: recruitment of Learners, Providers, training, graduation, challenges, highlights &amp; Lessons learnt)</i>
		<i>Male</i>	<i>Female</i>	<i>Employed</i>	<i>Approved</i>	<i>Expenditure</i>	
Learnership	Abet	39	4	43	84 600	42 300	Tripple E Training
Skills programme	Management & Leadership	15	5	20		75 000	University of Pretoria
Skills Programme	Financial Management for Non Financial Managers	14	6			75 000	University of Pretoria Completed
Skills Programme	Public Service Excellence (Customer Care)	9	11			45 000	University of Pretoria Completed
Internship	Finance	2	1	3			GMHM Completed
Internship	Corporate	1		1	18 000	16 500	GMHM Completed
Internship	Communication	1		1	18 000	16 500	GMHM Completed
Bursary	Master Public Development		1	1	9675.00	9675.00	Wits University Completed
Bursary	Managing Employment Process		1	1	970.00	970.00	UNISA Completed
Skills Programme	Munsoft Financial System	1	2	3	5250.00	5250.00	Munsoft Completed
Bursary	LLB	1			5853.95	5895.95	UNISA In Progress
Learnership	CPMD	3	2	5	280000 00	225000.00	Wits In Progress
Short course	VIP Payroll	6	2	8	16800	16800	VIP Completed
Learnership	Computer Literacy	6	9	15	50000		SAIDET In progress
Skills Programme	E NATIS	2	2	4	19000		TASIMA To be attended



## 2. DISCRETIONARY GRANT

<i>Learning Program (e.g Learnership /Skills Programs/Bursary, Internship)</i>	<i>Name of Learning Programme</i>	<b>BENEFICIARIES</b>				<b>BUDGET</b>	
		<i>Male</i>	<i>Female</i>	<i>Employed</i>	<i>Unemployed</i>	<i>Approved</i>	<i>Expenditure</i>
Learnership	Tourism and Hospitality	13	22		35	1 150 000	297500 THETHA SETA

## DONOR AND OTHER FUNDING

<i>Learning Program (e.g Learnership /Skills Programs/Bursary, Internship)</i>	<i>Name of Learning Programme</i>	<b>BENEFICIARIES</b>				<b>BUDGET</b>	
		<i>Male</i>	<i>Female</i>	<i>Employed</i>	<i>Unemployed</i>	<i>Approved</i>	<i>Expenditure</i>
Skills Programme	Conduct Skills Development Administration in an organization	1		1			LG Seta
	Advise on the establishment and implementation of Quality Management System for the Skills Development Practices in organization						
VIP PAYROLL	Annual Tax Seminar	1		1			VIP

### 3.2 NUMBER OF STAFF PER FUNCTION

	Full-time <sup>2</sup>		Part-time <sup>3</sup>		Vacant posts	Total
	M	F	M	F		
<b>1.1 All managerial positions<sup>4</sup></b> ( <i>M = Male and F = Female</i> )						
According to Section 57 .....	2	2			2	6
According to Organogram ..... (excluding Section 57 managers)						
<b>1.2 Rates and General Services (excluding managerial positions)</b>						
Community & Social Services <sup>5</sup> .....	58					58
Finance & Administration <sup>6</sup> .....	19					19
Health <sup>7</sup> .....	7					7
Public Safety <sup>8</sup> .....	41					41
Sport & Recreation .....	1					1
Other .....						
<b>1.3 Housing and Trading Services (excluding managerial positions)</b>						
Electricity and Gas .....	13					13
Environmental Protection <sup>9</sup> .....						
Road Transport <sup>10</sup> .....	24					24
Waste Management <sup>11</sup> .....	28					28
Waste Water Management <sup>12</sup> .....	1					1
Water .....	34					34
Other .....	23					23
<b>Sub-total</b> (excluding managers) .....	256					256
<b>Total employees</b> (including managers) .....	260					260

### 3.3 SALARY DISCLOSURE

#### MAYOR

Salary	304,758.26
Travel Allowance	116,824.00
Cell Phone	14,400.00
Pension	45,713.74
<b>TOTAL</b>	<b>481,696.00</b>

#### CHIEF FINANCIAL OFFICER

Salary	300,000.00
Non Pensionable	
Salary	29,258.64
Travel Allowance	1,000,000.00
Group Scheme	6,000.00
UIF	1,497.36
Pension	66,000.00
Medical Aid	20,829.60
Salgbc	41.4
<b>TOTAL</b>	<b>523,627.00</b>

#### EXECUTIVE MEMBER FULL TIME

3

Salary	685,706.10
Cell Phone	43,200.00
Travel Allowance	262,854.00
PENSION	102,855.90
<b>TOTAL</b>	<b>1,094,616.00</b>

#### EXECUTIVE PART TIME

#### MEMBER PART TIME

2

Salary	251,426.08
Cell Phone	17,976.00
Travel Allowance	96,378.00
PENSION	18,856.96
<b>TOTAL</b>	<b>384,637.04</b>

#### SPEAKER FULL TIME

1

Salary	243,806.09
Cell Phone	14,400.00
Travel Allowance	93,459.00
PENSION	36,570.91
<b>TOTAL</b>	<b>388,236.00</b>

#### SENIOR MANAGERS NAGER

1

Salary	324,000.00
Non Pensionable	
Salary	50,663.64
Travel Allowance	130,152.00
PENSION	71,280.00
Group Scheme	6,480.00

Medical Aid	26,085.60
UIF	41.40
SALGBC	
Bonus	31,320.00
TOTAL	640,022.64

## SENIOR MANAGERS

2

Salary	602,234.00
Non Pensionable	
Salary	8103.92
Travel Allowance	200,000.00
PENSION	132491.48
Group Scheme	5,752.68
Medical Aid	13,730.40
UIF	2994,72
SALGBC	82.8
TOTAL	962,395.28

## **CHAPTER 4 : AUDITED STATEMENTS AND RELATED FINANCIAL INFORMATION**

### **4.1 ANNUAL FINANCIAL STATEMENTS 2007/8**

#### **CONTENTS**

#### **Page**

APPROVAL AND CERTIFICATION

STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL PERFORMANCE

STATEMENT OF CHANGES IN NET ASSETS

CASH FLOW STATEMENT

SIGNIFICANT ACCOUNTING POLICIES

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

#### **APPENDICES**

A SCHEDULE OF INTEREST BEARING BORROWINGS

B ANALYSIS OF PROPERTY PLANT AND EQUIPMENT

C SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT

E(1) ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE)

G DEVIATION FROM PROCUREMENT PROCESSES

## **APPROVAL AND CERTIFICATION**

I am responsible for the preparation of these annual financial statements, which are set out on pages **2 to 29**, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in **note 22** of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

**MUNICIPAL MANAGER**

**DATE**

## STATEMENT OF FINANCIAL POSITION

		2008	2007
	Note	R	R
<b>NET ASSETS &amp; LIABILITIES</b>			
<b>Net Assets</b>		<b>69 271 550</b>	<b>64 527 035</b>
Government grant reserve		16 869	13 498
	2	663	386
Donations and public contribution reserves		10 050	
	2	940	1 578 947
Accumulated surplus/(deficit)		42 350	49 449
		947	702
<b>Non-current liabilities</b>			
Long Term Liabilities	3	<b>7 704 813</b>	<b>8 421 835</b>
<b>Current liabilities</b>		<b>14 219</b>	<b>8 534 910</b>
		<b>607</b>	
Consumer deposits	4	1 522 333	1 496 878
Bank overdraft	13	75 956	-
Trade and other payables	5	9 419 535	5 580 418
Unspent conditional grants and receipts	10	2 454 429	1 003 466
Current portion of long term liabilities	5	747 355	454 148
<b>Total Net Assets and Liabilities</b>		<b>91 195</b>	<b>81 483</b>
		<b>970</b>	<b>780</b>

## ASSETS

### Non-current assets

		<b>62 682</b>	<b>54 253</b>
		<b>130</b>	<b>582</b>
Property, plant & equipment	7	62 630	54 249
Non-current receivables	9	751	202
		51 379	4 380

### Current assets

		<b>28 513</b>	<b>27 230</b>
		<b>840</b>	<b>199</b>
Inventory	10	3 203 920	2 539 131
Short-term investments	8	16 220	16 536
Consumer debtors	11	403	942
Other receivables	12	8 175 237	5 774 348
Current portion of long-term receivables	13	905 453	908 706
Cash and cash equivalents	13	-	71 679
		8 826	1 399 393

### Total Assets

<b>91 195</b>	<b>81 483</b>
<b>970</b>	<b>780</b>



## STATEMENT OF FINANCIAL PERFORMANCE

	Note	2008 R	2007 R
<b>REVENUE</b>			
Property rates	14	4 743 322	4 463 014
Service charges	15	17 030 641	18 379 004
Rental of facilities and equipment		88 548	121 925
Investment Revenue – external investments	19	832 546	4 319 036
Interest earned – outstanding debtors		295 110	1 103 687
Licenses and permits		8 463 323	7 158 431
Government grants and subsidies received - operating	16	27 049 648	24 518 112
Government grants and subsidies received - capital	16	6 060 985	4 329 230
Public contributions, donated and contributed property, plant and equipment	18	9 515 910	1 578 947
Other revenue	20	1 364 180	4 951 053
Fair Value Adjustment - Land held for sale		-	2 646 428
<b>Total Revenue</b>		<b>75 444 211</b>	<b>73 568 867</b>
<b>EXPENDITURE</b>			
Employee related costs	21	24 467 813	20 756 160
Remuneration of councillors	22	4 995 679	4 693 278
Bad debts		215 310	1 918 959
Depreciation		6 935 423	5 960 858
Repairs and maintenance		2 379 539	1 694 567
Finance cost	23	1 393 718	1 674 958
Bulk purchases	24	8 578 372	9 982 284
General expenses (including abnormal expenses)	25	21 476 893	17 108 650

Fair Value Adjustment - Land held for sale

227 176

-

**Total Expenditure**

**70 669 925**

**63 789 715**

**NET SURPLUS/(DEFICIT) FOR THE YEAR**

**4 774 287**

**9 779 153**

# STATEMENT OF CHANGES IN NET ASSETS

	Pre Gamap Reserves & Funds	Government Grant Reserve	Donation & Public Contribution Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R
<b>2007</b>					
Balance at 1 July 2006	14 722				17 358
Implementation of GAMAP (note 26 )	684 (14 722)	10 730		2 635 397 081	37 391
Change in accounting policy	684)	820	-	546 ( 1 879)	681 ( 1 879)
<b>Restated balance</b>	<b>( 0)</b>	<b>10 730 820</b>	<b>-</b>	<b>44 017 063</b>	<b>54 747 883</b>
Net surplus for the year				9 779 153	9 779 153
Appropriations					-
Property, plant and equipment purchased					-
Capital grants used to purchase PPE		3 829 230		(3 829 230)	-
Donated/contributed PPE			1 578 947	(1 578 947)	-
Asset disposals					-
Offsetting of depreciation		(1 061 663)		1 061 663	-
<b>Balance at 30 June 2007</b>	<b>( 0)</b>	<b>13 498 386</b>	<b>1 578 947</b>	<b>49 449 702</b>	<b>64 527 035</b>
<b>2008</b>					
Correction of error (note 32)					-
Changes in accounting policy					-
<b>Restated balance</b>	<b>(</b>	<b>13 498</b>	<b>1 578 947</b>	<b>49 449</b>	<b>64 527</b>

	0)	386		702	035
Net surplus for the year				4 412 652	4 412 652
Appropriations				3 557 036	3 557 036
Property, plant and equipment purchased					-
Capital grants used to purchase PPE		4 827 764		(4 827	-
Donated/contributed PPE			8 808 910	764) (8 808	-
Asset disposals				910)	-
Offsetting of depreciation		(1 456	( 336	(1 793	(3 586
	487)		917)	404)	808)
<b>Balance at 30 June 2008</b>	<b>(</b>	<b>16 869</b>	<b>10 050</b>	<b>41 989</b>	<b>68 909</b>
	<b>0)</b>	<b>663</b>	<b>940</b>	<b>312</b>	<b>915</b>

## CASH FLOW STATEMENT

	Note	2008 R	2007 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipted from ratepayers, government and others			
Cash paid to suppliers and employees			
<b>Cash generated from / (utilized in) operations</b>		<b>14,538,540</b>	<b>4,668,635</b>
Interest received	19	1,127,655	5,422,723
Interest paid		(1,393,718)	(1,674,958)
<b>Net cash from operating activities</b>		<b>14,272,478</b>	<b>8,416,400</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
Purchase of property, plant and equipment		(15,316,973)	(10,525,723)
Proceeds on disposal of property, plant and equipment			
(Increase)/decrease in non-current receivables		(46,999)	895,425
(Increase)/decrease in investments		316,539	(1,341,965)
<b>Net cash from investment activities</b>		<b>(15,047,433)</b>	<b>(10,972,263)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			

Increase/(decrease) in long term loans	(717,022)	3,053,186
Increase/(decrease) in deposits	25,455	4,143
<b>Net cash from financing activities</b>	<b>(691,567)</b>	<b>3,057,329</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(1,466,523)</b>	<b>501,466</b>
Cash and cash equivalents at beginning of the year	1,399,393	897,927
Cash and cash equivalents at end of the year	67,130	(1,399,393)

## **1. SIGNIFICANT ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS**

### **1.1 BASIS OF PRESENTATION**

The financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost basis unless otherwise stated. Under this basis the effects of transactions and other events are recognised when they occur and a

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in

These standards are summarised as follows:

GRAP 1: Presentation of financial statements.

GRAP 2: Cash flow statements.

GRAP 3: Accounting policies, changes in accounting estimates and errors.

GAMAP 4: Effects of changes in foreign exchange rates.

GAMAP 6: Consolidated financial statements and accounting for controlled entities.

GAMAP 9: Revenue.

GAMAP 7: Accounting for investments in associates.

GAMAP 8: Financial reporting of interests in joint ventures.

GAMAP 12: Inventories.

GAMAP 17: Property, plant and equipment.

GAMAP 19: Provisions, contingent liabilities and contingent assets.

GAMAP 6, 7 and 8 have been complied with to the extent that the requirements in these standards related to the municipality's separate financial statements.

Accounting policies for material transactions, events or conditions not covered by the above GRAP and/or GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such statements issued by the Accounting Practices Board.

GAMAP, GRAP and GAAP standards are fundamentally different to the fund accounting policies adopted in previous financial years. Comparative amounts have been restated retrospectively to the extent possible. The effect of the change in accounting policy arising from the implementation of GAMAP, GRAP and GAAP is set out in [Note 26](#).

The Minister of Finance has, in terms of General Notice 552 of 2007 exempted compliance with certain of the above-mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in Government Gazette 30013.

These accounting policies are consistent with those of the previous financial year.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a standard of GAMAP or GRAP.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

## **1.2 PRESENTATION CURRENCY**

These annual financial statements are presented in South African Rand and are rounded to the nearest Rand.

## **1.3 GOING CONCERN ASSUMPTION**

These annual financial statements have been prepared on a going concern basis.

## **1.4 RESERVES**



#### **a) Government Grant Reserve**

When items of property, plant and equipment are purchased from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance.

When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit).

The purpose of this reserve is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation expenses that will be incurred over the estimated useful lives of the items of property, plant and equipment.

When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grants Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from government grants is disposed of, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

#### **b) Donations and Public Contributions Reserve**

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions received.

The purpose of this reserve is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment.

When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from donations and public contributions is disposed of, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/(deficit).

## **1.5 PROPERTY, PLANT & EQUIPMENT**

An item of property, plant and equipment which qualifies for recognition as an asset shall initially be measured at cost. Property, plant and equipment is stated at historical cost, less accumulated depreciation and impairment losses. Such assets are financed either by external loans, capital replacement reserve, government grants and contributions and donations.

The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to working condition for its intended use.

Any trade discounts and rebates are deducted in arriving at the purchase price.

Directly attributable costs include the following:

Cost of site preparation.

Initial delivery and handling costs.

Installation cost.

Professional fees.

Estimated cost of dismantling the asset.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed.

Where an item of property, plant and equipment is acquired at no cost, it is initially recognised at its fair value as at the date of acquisition.

Incomplete construction work is stated at historical cost and depreciated only when the asset is commissioned into use, and are accounted for in accordance with the exemptions in terms of Gazette 30013 of 29 June 2007.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

## Depreciation

Depreciation is calculated at historical cost, using the straight-line method over the useful lives of the asset. Assets will be depreciated according to their annual depreciation rates based on the following estimated asset lives:

<u>Infrastructure Assets</u>	<u>Years</u>
<u>Years</u>	
Roads, pavements, bridges and storm water	10-30
10-30	
Street names, signs and parking meters	5-7
5-7	
Water reservoirs and reticulation	15-20
15-20	
Water meters	7
7	
Car parks, bus terminals and taxi ranks	20
20	
Electricity reticulation	15-30
15-30	
Electricity meters	10
10	
Sewerage purification and reticulation	15-20
15-20	
Housing	30
30	
Street lighting	20-25
20-25	

Refuse sites	30
--------------	----

#### Community Assets

##### Years

Parks and gardens	10-30
10-30	
Sport fields	20-30
20-30	
Community halls	30
30	
Libraries	30
30	
Recreation facilities	20-30
20-30	
Clinics	30
30	
Fire services	30
30	
Cemeteries	30
30	

## **1.5 PROPERTY, PLANT & EQUIPMENT (CONT)**

#### Other Assets

##### Years

Motor vehicles	5-7
4-7	
Plant and equipment	5-15
2-15	
Security measures	3-10
3-10	
Buildings	30
30	
IT equipment	3-5
3-5	
Office equipment	3-7
3-7	
Specialised vehicles	15-20

Land is not depreciated as it is regarded as having an infinite life.

The useful life or depreciation method for items of property, plant and equipment that have been recognised was not reviewed as permitted in terms of Gazette 30013 of 29 June 2007.

#### Impairment

The testing for and impairing of any items of property, plant and equipment were not accounted for as permitted in terms of Gazette 30013 of 29 June 2007

#### Disposal of property, plant and equipment

- The book values of assets are written off on disposal.
- The difference between the net book value of assets (cost less accumulated depreciation) and the sales proceeds is reflected as a gain or loss in the Statement of Financial Performance.

### **1.7 INVESTMENT PROPERTY**

Investment property as property (land or a building or part of a building or both) held to earn rentals or capital appreciation is stated at cost. Where an investment property is acquired at no cost, or for a nominal cost, its cost is recognised at its fair value as at the date of acquisition.

Depreciation is calculated on cost, using the straight-line method over the useful life of the property.

The process for identifying investment property had not been finalised and items that may meet the definition was accounted for in terms of GAMAP 17 under property, plant and equipment as permitted in terms of Gazette 30013 of 29 June 2007.

### **1.8 FINANCIAL INSTRUMENTS**

There are four categories of financial instruments: fair value through profit or loss (which includes trading), loans and receivables, held-to-maturity and available for sale. All financial assets that are within the scope of IAS 39 are classified into one of the four categories.

Financial instruments include cash and bank balance, investments, trade receivables and borrowings. The municipality classifies its financial assets as loans and receivables. Financial instruments are accounted for in accordance with the exemptions in terms of Gazette 30013 of 29 June 2007.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are included in current assets, except for maturities in excess of 12 months. These are classified as non-current assets.

Loans and receivables are classified as “trade and other receivables” in the Statement of Financial Position.

Loans and receivables are recognised initially at cost which represents fair value. After initial recognition financial assets are measured at amortised cost using the effective interest rate.

#### Accounts receivable

Trade and other receivables are recognised initially at cost which represents fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor and default or delinquency in payments of all debt outstanding for more than 150 days are considered indicators that the trade receivables are impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

When an under recovery occurs during the year an additional contribution for impairment is made from the accumulated surplus at year end.

Bad debts are written off during the year in which they are identified as irrecoverable.

## Financial liabilities

Financial liabilities are recognised initially at cost which represents fair value. After initial recognition financial liabilities are measured at amortised cost using the effective interest rate.

## Gains and losses

Gains and losses arising from changes in financial assets or financial liabilities at amortised cost are recognised in profit and loss when the financial asset or liability is derecognised or impaired through the amortisation process.

## **1.8 FINANCIAL INSTRUMENTS (CONT)**

### Investments held-to-maturity

Subsequent to initial recognition, held-to-maturity assets are measured at amortised cost calculated using the effective interest method.

Investments which include listed government bonds, unlisted municipal bonds, fixed deposits and short term deposits invested in registered banks are stated at cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss and this is recognised as an expense in the period that the impairment is identified.

Surplus funds are invested in terms of Council's Investment Policy. Investments are only made with financial institutions registered in terms of the Deposit Taking Institutions Act of 1990 with an A1 or similar rating institution for safe investment purposes.

The investment period should be such that it will not be necessary to borrow funds against the investments at a penalty interest rate to meet commitments.

### Leases

Property, plant and equipment subjected to finance lease agreements are capitalised at their cost equivalent and the corresponding liabilities are raised.

The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life.

Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease payments are recognised as an expense on a straight-line basis over the lease period.

Operating lease payments or receipts are recognised on the basis of the actual cash inflows and outflows as per the lease contract as permitted in terms of Gazette 30013 of 29 June 2007.

## **1.9 INVENTORY**

The cost of inventories comprises of all costs of purchase, costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Consumable stores, raw materials, work in progress, unused water, and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities.

Redundant and slow-moving stock are identified and written down with regard to their estimated economic or realisable values and sold by public auction. Consumables are written down with regard to age, condition and utility.

Unsold properties are valued at the lower of cost and net realisable value on a specific identification cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Water purification costs incurred for non-purchased water has been recognised whilst pre-purified non-purchased water was not recognised as permitted in terms of Gazette 30013 of 29 June 2007.

The process to identify immovable capital assets as inventory/stock are not finalised yet and were accounted for in terms of GAMAP 17 as permitted in terms of Gazette 30013 of 29 June 2007.



## **1.10 TRADE CREDITORS**

Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade creditors are recognised initially at cost price as permitted in terms of Gazette 30013 of 29 June 2007.

## **1.11 REVENUE RECOGNITION**

Revenue shall be measured at the fair value of the consideration received or receivable. No settlement discount is applicable.

Rendering of service

When the outcome of a transaction can be estimated reliably relating to the rendering of a service, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the reporting date.

The outcome of the transaction can be measured reliably when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or services potential associated with the transaction will flow to the entity;
- The stage of completion of the transaction at the reporting date can be measured reliably; and
- The cost incurred for the transaction and the cost to complete the transaction can be measured reliably.

This principle also applies to tariffs or charges.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses that are recoverable.

Sale of goods

Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied:

- The municipality has transferred to the purchaser the significant risks and rewards of ownership of goods;
- The municipality retains neither continuing managerial involvement to the degree associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Finance income from sold housing by way of instalment sales agreements is recognised on a time proportion basis.

Revenue from the sale of erven is recognised when all conditions associated with the deed of sale have been met.

Rates, including collection charges and penalty interest

Revenue from rates including collection charges and penalty interest, shall be recognised when all the following conditions have been satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- There has been compliance with the relevant legal requirements.

The Municipality uses a differentiated site value assessment rate system. According to this assessment rates are levied on the land value of properties and rebates are granted according to the usage of a particular property.

#### **1.11 REVENUE RECOGNITION (CONT)**

Rebates are respectively granted, to owners of land on which not more than two dwelling units are erected provided that such dwelling units are solely used for residential purposes. Additional relief is granted to needy, aged and/or disabled owners, based on income

Assessment rates income is recognised once a rates account has been issued to ratepayers. Adjustments or interim rates are recognised once the municipal valuer has valued the change to properties.

## Service charges

Flat rate service charges and consumption-based service charges shall be recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumptions are made monthly when meter readings have not been performed and are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read.

Revenue from the sale of electricity prepaid meter credit is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

## Fines

Revenue from the issuing of fines is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Revenue from fines is recognised when payment is received and the revenue from the issuing of summonses is recognised when collected.

## Government Grants

Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Government grants are recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

### 1.11 REVENUE RECOGNITION (CONT)

Other grants and donations received

Other grants and donations shall be recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment are brought into use.

Revenue from public contributions is recognised when all conditions have been met or where the contribution to property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

Where public contributions have been received but the conditions were not met, a liability is recognised.

#### Levies

Levies shall be recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

#### Interest, royalties and dividends

Revenue arising from the use of assets by others of the municipal assets yielding interest royalties and dividends shall be recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Interest shall be recognised on a time proportionate basis that takes into account the effective yield on the asset;

Royalties shall be recognised as they are earned in accordance with the substance of the relevant agreement; and

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified.

The income recognised is in terms of the agency agreement.

Collection charges are recognised when such amounts are incurred.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue from the recovery of unauthorised irregular, fruitless and wasteful expenditure is based on legislated procedures.

Revenue are initially recognised at cost as permitted in terms of Gazette 30013 of 29 June 2007.

#### **1.12 PROVISIONS**

Provisions are recognised when the municipality has a present or constructive obligation, as a result of past events, that is probable to cause an outflow of resources embodying economic benefits required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

#### **1.13 CONTINGENT ASSETS**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality. Contingent assets are not recognised as assets.

#### **1.14 CONTINGENT LIABILITIES**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised as liabilities.

#### **1.15 CONDITIONAL GRANTS AND RECEIPTS**

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is raised.

## **1.16 CASH AND CASH EQUIVALENTS**

Cash includes cash on hand and cash with banks. Cash equivalents are short-term investments that are held with registered banking institutions with maturities of 32 days or daily calls.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts. Bank overdrafts are recorded on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

## **1.17 UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## **1.18 IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), the Public Office Bearers Act (Act 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## **1.19 FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## **1.20 COMPARATIVE INFORMATION**

Budgeted amounts have been included in the annual financial statements for the current financial year only. When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

## **1.21 RETIREMENT BENEFITS**

The municipality contributes towards retirement benefits of its employees and councillors to the under-mentioned pension funds:

- Joint Municipal Pension Fund
- Municipal Employees Pension Fund
- Municipal Gratuity Fund
- SALA Pension Fund

Councillors are members of the Municipal Councillor's Pension Fund that was established in terms of the Remuneration of Public Office Bearers Act 1998 (Act 20 of 1998).

### **a) Defined contribution plans**

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

Contributions to the defined contribution pension plan in respect of service in a particular period are included in the employees' total cost of employment and are charged to the statement of financial performance in the year to which they relate as part of cost of employment.

### **b) Post employment medical care benefits**

The municipality provides post employment medical care benefits to its employees and their legitimate spouses. The entitlement to post-retirement medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period. The expected cost, of these benefits is accrued over the period of employment.

Post employment medical care benefits are accounted for in accordance with the exemptions in terms of Gazette 30013 of 29 June 2007.



### **1.22 BORROWING COSTS**

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

### **1.23 CONSUMER DEPOSITS**

Consumer deposits are a partial security for a future payment of an account. All consumers are therefore required to pay a deposit equal to two months consumption of electricity and water services. Deposits are considered a liability as the deposit is only refunded once the service is terminated. No interest is paid on deposits.

### **1.24 EVENTS AFTER BALANCE SHEET DATE**

Recognised amounts in the financial statements are adjusted to reflect events arising after the balance sheet date that provide evidence of conditions that existed at the balance sheet date. Events after the balance sheet date that are indicative of conditions that arose after the balance sheet date are dealt with by way of a note to the financial statements.

### **1.25 VALUE ADDED TAX**

The municipality accounts for Value Added Tax on the cash basis.

**NOTES TO THE FINANCIAL STATEMENTS**  
**NOTES 2 -6**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>RESERVES</b>		
Government Grants Reserve	16 869	13 498
	663	386
Donations and Public Contribution Reserve	10 050	1 578
	940	947
	<b>26 920</b>	<b>15 077</b>
	<b>603</b>	<b>333</b>
<b>LONG TERM LIABILITIES</b>		
Annuity loans	8 364	8 771
	136	961
Less: Current portion transferred to current liabilities	( 691	( 407
	066)	825)
	<b>7 673</b>	<b>8 364</b>
	<b>070</b>	<b>136</b>
Finance Lease	88 031	104
Less: Current portion transferred to current liabilities	( 56	( 46
	289)	323)
	<b>31 743</b>	<b>57</b>
	<b>699</b>	<b>699</b>
	<b>7 704</b>	<b>8 421</b>
	<b>813</b>	<b>835</b>
Refer to Appendix A for more detail on long term liabilities.		

## CONSUMER DEPOSITS

Electricity and Water

	2 417	#	2 392
488		033	

No interest is paid on deposits.

Guarantees held in lieu of electricity and water deposits

	895		895
155		155	

## TRADE AND OTHER PAYABLES

Trade Creditors

	4 399		2 547
217		926	

Sundry deposits

10

Other creditors

	11 841	291	
	1 577		443
617		972	

Staff leave

	1 407		1 073
606		432	

Retention money

	2 023		1 504
254		797	

	9 419		5 580
535		418	

Creditors are recognised at cost and no interest was recognised as a result of any time value of money adjustments as permitted per gazette 30013 of 29 June 2007.

## CONDITIONAL GRANTS FROM GOVERNMENT

Finance management grant			31
		2 426	883
Municipal systems improvement grant		236	293
	811		811
Provincial Local Government - Premier's Special Project			7
		12 999	416
GSDM - Ward Committee Support		7 555	-
GSDM - Logistic HUB		350	
	000		-
Municipal infrastructure grant		1 844	670
	638		356
		<b>2 454</b>	<b>1 003</b>
	<b>429</b>		<b>466</b>

See note 17 for reconciliation of grants. These amounts are invested until utilised.

# NOTE 7

## 7 PROPERTY, PLANT & EQUIPMENT

	Land and Buildings R	Infrastructure R	Community Assets R	Other Assets R	Total R
<b>Carrying values at 1 July 2007</b>	<b>10 072</b>	<b>24 885</b>	<b>1 134</b>	<b>18 156</b>	<b>54 249</b>
	<b>550</b>	<b>747</b>	<b>484</b>	<b>421</b>	<b>202</b>
Cost	10 429	27 543	1 207	31 909	71 090
Accumulated depreciation – cost	285 ( 356 735)	241 (2 657 493)	902 ( 73 418)	852 (13 753 431)	279 (16 841 077)
Acquisitions	11 139	5 051	190	1 181	17 561
Capital under construction	132 (2 795 332)	118	000 550 631	424	673 (2 244 701)
Depreciation – based on cost	( 276 366)	(1 687 149)	( 50 012)	(4 921 897)	(6 935 423)
Carrying value of disposals	-	-	-	-	-
Cost	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-
<b>Carrying values at 30 June 2008</b>	<b>18 139</b>	<b>28 249</b>	<b>1 825</b>	<b>14 415</b>	<b>62 630</b>
	<b>985</b>	<b>716</b>	<b>103</b>	<b>947</b>	<b>751</b>
Cost	18 773	32 594	1 948	33 091	86 407
Accumulated depreciation – cost	085 ( 633 100)	358 (4 344 642)	533 ( 123 430)	275 (18 675 329)	252 (23 776 501)

<b>Carrying values at 1 July 2006</b>	<b>7 077</b>	<b>21 605</b>	<b>1 178</b>	<b>19 823</b>	<b>49 684</b>
	<b>175</b>	<b>179</b>	<b>145</b>	<b>837</b>	<b>336</b>
Cost	7 263	22 974	1 207	29 119	60 564
Accumulated depreciation – cost	193 ( 186 018)	161 (1 368 982)	902 ( 29 757)	300 (9 295 463)	556 (10 880 220)
Acquisitions	370	4 569		2 790	7 730
	759	080	-	552	391

Capital under construction	2 795				2 795
Depreciation – based on cost	332 ( 170 717)	(1 288 512)	( 43 661)	(4 457 968)	332 (5 960 858)
Carrying value of disposals	-	-	-	-	-
Cost	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-
Other movements	-				-
<b>Carrying values at 30 June 2007</b>	<b>10 072</b>	<b>24 885</b>	<b>1 134</b>	<b>18 156</b>	<b>54 249</b>
Cost	550 10 429	747 27 543	484 1 207	421 31 909	202 71 090
Accumulated depreciation – cost	285 ( 356 735)	241 (2 657 493)	902 ( 73 418)	852 (13 753 431)	279 (16 841 077)

**NOTE 8 -34****INVESTMENTS****Short Term Fixed Deposits**

First National Bank

Rand Merchant Bank

**2008  
R****2007  
R**

509 090

16 220 403

16 027 852

**16 220 403****16 536 942**

Council's valuation of investments

16 220 403

16 536 942

**NON CURRENT RECEIVABLES**

Motor car loans

-

71 679

Study Loans

51 379

4 380

Less: current portion transferred to current receivables

- 679)

( 71

**51 379****4 380**

Senior staff were previously entitled to car loans which attracted different interests and which were repayable over a maximum period of 5 years. These loans were repaid in the year 2008.

**INVENTORY**

Consumable stock

924 262

950 055

Land Held for Sale

2 279 658

1 589 076

**3 203 920**

**2 539 131**

## CONSUMER DEBTORS

**30 June 2008**

Service debtors:

Property rates

Electricity

Water

Sewerage

Refuse

Other

**Provision for Bad  
Debt**

**Net Balance**

(2 775

757)

**3 939 734**

( 328 001)

733 147

( 272 538)

609 177

(1 074

552)

2 401 839

( 193 906)

433 420

( 906 760)

849)

( 237

( 450 983)

4 235 503

**(3,226,740)**

**8,175,237**

**30 June 2007**

(3 218

246)

**5 774 348**

## AGEING OF CONSUMER DEBTORS

Property Rates

Current (0-30 days)

31-60 days

61-90 days

91-120 days

121-150 days

382 449

71 054

43 268

29 649

534 728



<b>Sub-total</b>	<b>1 061 148</b>
------------------	------------------

Services

Current (0-30 days)

31-60 days

61-90 days

91-120 days

121-150 days

**Sub-total**

1 466 767
190 725
129 266
110 492
3 757 094
<b>5 654 344</b>

Other

Current (0-30 days)

31-60 days

61-90 days

91-120 days

121-150 days

151+ days

**Sub-total**

852 385
363 918
117 187
94 494
57 777
3 200 725
<b>4 686 486</b>

**Total consumer debtors**

**11 401 978**

Debtors are recognised at cost as permitted in terms of gazette 30013 of 29 June 2007

**OTHER RECEIVABLES**

Grants Spent, not yet received

Other debtors

Sundry Loan

VAT

143 103	-
581 908	595 924
206 817	206 817
180 443	105 966
<b>1 112 270</b>	<b>908 706</b>

Impairment of Sundry Loan

( 206 817) -

<b>905 453</b>	<b>908 706</b>
----------------	----------------

Other debtors are recognised at cost as permitted in terms of gazette 30013 of 29 June 2007.

## CASH AND CASH EQUIVALENTS

The municipality has the following bank account:

First National bank: Marble Hall  
Account number: 52950020208

Current account (primary bank account)

Bank statement balance at beginning of year

3 788 984

Bank statement balance at end of year

**2 168 554**

**3 788 984**

Cash book balance at beginning of year

1 308 238

838 559

**Cash book balance at end of year**

**( 75 956)**

**1 308 238**

Current account (PHP HOUSING)

Bank statement balance at beginning of year

92 144

Bank statement balance at end of year

**9 516**

**92 144**

Cash book balance at beginning of year

90 855

838 559

**Cash book balance at end of year**

**8 526**

**90 855**

Petty cash

Balance at end of year

300

300

**Total cash resources**

**( 67 130)**

**1 399 393**

## PROPERTY RATES

Residential	1 897 650
Government	213 043
Commercial	2 845 673
	<b>4 956 365</b>

## VALUATIONS

Residential	134 615 123
Government	12 545 900
Commercial	99 684 110
Municipal	8 605 900
Exempted	8 515 000
	<b>263 966 033</b>

Valuations on land are performed every four years and the last general valuation come into effect on 1 July 2008. The basic rate for 2007/8 was 32c in the Rand on land.

## SERVICE CHARGES

Sale of electricity	9 940 164	9 481 861
Sale of water	3 861 720	5 884 852
Refuse removal	1 646 177	1 478 999
Sewerage and sanitation charges	1 582 580	1 533 291
	<b>17 030 641</b>	<b>18 379 004</b>

## GOVERNMENT SUBSIDIES & GRANTS

<b>Operating Grants</b>	<b>26 957 695</b>	<b>24 998 203</b>
Equitable share	24 335 376	22 355 430

Finance management grant (FMG)  
Municipal systems improvement grant (MSIG)  
Valuation Roll  
Premier's Special Project - Tribal Offices  
Ward Committee Support  
GAMAP/GRAP conversion Support

529 457	<b>500 000</b>
791 000	<b>440 189</b>
500 000	-
494 417	<b>1 492 584</b>
307 445	<b>210 000</b>
-	-

***Capital Grants***

Municipal infrastructural grant (MIG)  
Vuna Awards  
European Union  
(see note 10)

<b>6 152 938</b>	<b>3 849 138</b>
4 885 546	<b>3 829 230</b>
219 298	-
1 048 094	<b>19 908</b>
<b>33 110 633</b>	<b>28 847 341</b>

**Total Government Grants & Subsidies**

***Equitable Share***

This grant is an unconditionally grant and is partially utilized for the provision of indigent support through free basic services.

***Finance Management Grant***

Balance unspent at beginning of year  
Current year receipts  
Conditions met – transferred to revenue

31 883	31 883
500 000	500 000
( 529 457) 000)	( 500
<b>2 426</b>	<b>31 883</b>

**Unspent amount transferred to liabilities**

(see note 10)

This grant was used to promote and support reforms to municipal financial management and the implementation of the MFMA, 2003. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.

Balance unspent at beginning of year	293 811	-
Current year receipts	734 000	734 000
Conditions met – transferred to revenue		( 440
	( 791 000) 189)	
<b>Unspent amount transferred to liabilities</b>	<b>236 811</b>	<b>293 811</b>
(see note 10)		

This grant was used to build in-house capacity to perform their functions and stabilize institutional and governance systems. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.

Balance unspent at beginning of year	-	-
Current year receipts	500 000	-
Conditions met – transferred to revenue	( 500 000)	-
<b>Unspent amount transferred to liabilities</b>	<b>-</b>	<b>-</b>
(see note 10)		

This grant was used to assist in financing the cost of the implementation of the Municipal Property rates Act. All the conditions of the grant has been met and no funds were withheld

Balance unspent at beginning of year	7 416	-
Current year receipts	500 000	1 500 000
Conditions met – transferred to revenue		(1 492
	( 494 417) 584)	
<b>Unspent amount transferred to liabilities</b>	<b>12 999</b>	<b>7 416</b>
(see note 10)		

This grant was used to assist to finance the cost of a Tribal Offices at Mashung. All the conditions of the grant has been met and no funds were withheld.

Balance unspent at beginning of year	0	-
Current year receipts	904 991	19 908
Conditions met – transferred to revenue	(1 048	( 19
	094)	908)
<b>Overspent amount transferred to Other Debtors</b>	<b>( 143 102)</b>	<b>0</b>

(see note 10)

This grant was used to assist in the development of a LED strategy, the establishment of a Logistical HUB as well as to improve Horticulture within the municipiapl ares. All the conditions of the grant has been met and no funds were withheld.

Balance unspent at beginning of year	-	-
Current year receipts	315 000	210 000
Conditions met – transferred to revenue	( 307 445)	( 210
	000)	
<b>Overspent amount transferred to Other Debtors</b>	<b>7 555</b>	<b>-</b>

(see note 10)

This grant was used to assist the municipality in supporting the Ward Committee structure and functioning. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.

Balance unspent at beginning of year	-	-
Current year receipts	350 000	-
Conditions met – transferred to revenue	-	-
<b>Overspent amount transferred to Other Debtors</b>	<b>350 000</b>	<b>-</b>

(see note 10)

This grant is intended to finance the Logisti Hub. To date, this grant has not been spent.

Balance unspent at beginning of year			268
	670 356	170	
Current year receipts			4 231
	6 059 828	416	
Conditions met – transferred to revenue	(4 885		(3 829
	546)	230)	
<b>Unspent amount transferred to liabilities</b>			<b>670</b>
	<b>1 844 638</b>	<b>356</b>	

(see note 10)

This grant was used to construct basic municipal infrastructure to provide basic services for the benefit of poor households. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.

#### **PUBLIC CONTRIBUTIONS, DONATED & CONTRIBUTED PROPERTY, PLANT & EQUIPMENT**

Greater Sekhukhune District Municipality	707 000	-
Other donations	8 808 910	-
<b>Total donated property, plant &amp; equipment</b>	<b>9 515 910</b>	<b>-</b>

**INVESTMENT REVENUE  
EXTERNAL INVESTMENTS**

Current account			222
	582 538	875	
External investments			4 096
	250 008	162	
			<b>4 319</b>
	<b>832 546</b>	<b>036</b>	

**OTHER REVENUE**

Building plan fees			14
	42 662	675	
Interest car loans			11
	3 295	556	
Grave Fees			12
	13 070	730	
Tender Documents			1 509
	238 951	237	
Other revenue			3 402
	1 066 202	855	
			<b>4 951</b>
	<b>1 364 180</b>	<b>053</b>	

**EMPLOYEE RELATED COSTS**

Employee related costs - Salaries and wages			18 292
	20 928 133	598	
Employee related costs - Social contributions			248
	299 092	399	
Travel allowances			1 047
	2 377 684	817	
Overtime			1 167
	862 904		



			347
			<b>20 756</b>
	<b>24 467 813</b>	<b>160</b>	
<b>Remuneration of Managers</b>			
Municipal Manager			
Annual remuneration	445 848		
Allowances	142 152		
Council Contributions	6 000		
			550
	594 000	000	
Executive Manager Finance			
Annual remuneration	380 080		
Allowances	99 000		
Council Contributions	5 760		
			448
	484 840	000	
Executive Manager Corporate Services			
Annual remuneration	328 729		
Allowances	108 944		
Council Contributions	5 327		
			408
	443 000	108	
Executive Manager Technical Services			
Annual remuneration	340 000		
Allowances	110 000		
Council Contributions	-		
			349
	450 000	920	
Executive Manager Community Services			
Annual remuneration	321 757		
Allowances	119 000		
Council Contributions	-		
	440 757		349

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920

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During the year performance bonuses were paid out in terms of Section 57 of the Municipal Systems Act

## REMUNERATION OF COUNCILLORS

Executive Mayor	406 556
Speaker	337 265
Chief Whip	110 507
Fulltime members of Exco	632 373
Part time members of Exco	347 804
General Councilors	2 501 487
Councilors' Medical Aid Contribution	69 120
Councilors' Pension Contribution	590 567

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**4 995 679**

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-

The Executive Mayor, Speaker and Chief Whip are full time. Each is provided with an office and secretarial support at the cost of Council.

The Executive Mayor has use of a Council owned vehicle and driver for official duties.

## FINANCE COST

Annuity loan	1 379 852	256	1 660
Finance Lease	13 866	702	14
	<b>1 393 718</b>	<b>958</b>	<b>1 674</b>

## BULK PURCHASES

Electricity

8 578 372 284

9 982

## GENERAL EXPENSES

Advertising Printing And Stationery

258 159 256

319

Audit Fees

1 015 475 325

220

Books Publications And Amendments

8 044

7 526  
172

Cell Phones

356 176 986

128

Entertainment Expenses

107 134 498

219

Consultany Fee

- 549

2 429

Licenses

4 767 999 473

19

Fuel Vehicles

22 632 168

1 081

Security Fee

1 688 124 675

237

Insurance

284 211 270

765

Postage And Telephone

855 377 812

569

Rental

466 579 036

18

Town Planning

179 716 910

435

Training And Conferences

308 245 673

Traveling And Subsistence	823 446	019	341
LED Expenditure	821 435	584	1 492
Other expenditure	9 514 143	892	8 649
		-	
	<b>21 476 893</b>	<b>650</b>	<b>17 108</b>

#### CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GAMAP

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GAMAP:-

##### 26.1 Statutory Funds

###### Balance previously reported:-

Capital Development Fund	053	5 181
Land Development Fund	662	8 733
	<b>716</b>	<b>13 914</b>

###### Implementation of GAMAP

Total (credited to Accumulated Surplus) (see 26.5 below)	<b>716</b>	<b>13 914</b>
--	------------	---------------

##### 26.2 Loans Redeemed and Other Capital Receipts

###### Balance previously reported:-

<b>830</b>	<b>47 532</b>
------------	---------------

**Implementation of GAMAP**

Transferred to Government Grant Reserve	610	13 839
Transferred to Township Development	568	3 923
Total (debited to Accumulated Surplus) (see 26.5 below)	652	29 769
		<b>47 532</b>
	<b>830</b>	

**26.3 Provisions and Reserves****Balance previously reported:-**

Bursary Fund	556	249
Study Loan Fund	989	48
Town Planning	265	105
Community Facilities Fund	286	69
Endowment Fund	863	41
Road Subsidy	717	63
Tariff Stabilisation Fund	294	229
		<b>807</b>
	<b>968</b>	

**Implementation of GAMAP**

Total (Credited to Accumulated Surplus) (see 26.5 below)	<b>968</b>	<b>807</b>
--	------------	------------

**26.4 Accumulated Depreciation****Balance previously reported:-**

	-
--	---

## Implementation of GAMAP

Backlog Depreciation debited to Accumulated Surplus (see 26.5 below)	791	3 108
--	-----	-------

### 26.5 Accumulated surplus Implementation of GAMAP

Transferred from Statutory Funds (see 26.1 above)	716	13 914
Transferred from Loans redeemed and Other Capital Receipts (see 26.2 above)	652	29 769
Transferred from Reserves (see 26.3 above)	968	807
Backlog depreciation (see 26.4 above)	791)	(3 108
		41 383
	546	

## CHANGE IN ACCOUNTING POLICY OTHER THAN THE IMPLIMENTATION OF GAMAP/GRAP

Deemed Finance Leases have been capitalised retrospectively. The impact of this change in accounting policy on the opening balances of the 2007 financial year are as follows:-

### Statement of Financial Position

Finance Lease Obligation	124,788
- Liability capitalised	168,010
- Redemption	(43,222)

Property, Plant and Equipment

**122,908**

- Cost

168,010

- Accumulated Depreciation

(45,102)

**Statement of Financial Performance**

Accumulated surplus/(deficit)

**1,879**

- Redemption

(43,222)

- Depreciation

45,102

**CASH GENERATED FROM/(UTILISED IN) OPERATIONS**

**Net surplus for the year**

**4,774,287    9,779,153**

Adjustment for:

Depreciation charges

6,935,423

5,960,858

Fair Value adjustment

227,176

(2,646,428)

Contributions to bad debt

215,310

1,918,959

Interest received

(1,127,655)

(5,422,723)

Interest paid

1,393,718

1,674,958

GAMAP/GRAP Conversion

-

(5,714,572)

**Operating surplus before working capital changes**

**12,418,259**

**5,550,204**

(Increase)/decrease in inventories

(Increase)/decrease in debtors

(Increase)/decrease in other debtors

Increase/(decrease) in creditors

**Cash generated by operations**

(664,789)	(1,658,701)	
(2,400,889)	757,630	-
74,931		
5,111,028	19,502	
<b>14,538,540</b>	<b>4,668,635</b>	

**CAPITAL COMMITMENTS**

Commitments in respect of capital expenditure:

**Approved and contracted for**

Infrastructure

Community assets

Other assets

**Approved but not yet contracted for**

Land and buildings

Infrastructure

Community assets

Other assets

Specialised vehicles

<b>3,658,853</b>	-
2,000,000	
1,658,853	
<b>3,390,000</b>	-
2,800,000	
160,000	
430,000	
<b>7,048,853</b>	-

**This expenditure will be financed from**

External loans

Capital replacement reserve

Government grants

-	-

**ADDITIONAL DISCLOSURES IN TERMS OF SECTION 125 OF MUNICIPAL FINANCE MANAGEMENT ACT, 2003**



**Contribution to SALGA**

Council membership fees payable

Amount paid current year

**Balance unpaid (included in creditors)**

88,052	
<b>88,052</b>	<b>-</b>

**Audit Fees**

Current year audit fee

Amount paid current year

**Balance unpaid (included in creditors)**

1,015,475	220,325
(1,015,475)	(220,325)
<b>-</b>	<b>-</b>

**VAT****Output Tax**

Opening balance

Closing balance

**Input Tax**

Amount payable to SARS

Amount paid current year

**Balance outstanding (to)/from SARS**

<b>180,443</b>	<b>105,996</b>

VAT is payable on the receipt basis. Only once payment is received from debtors is VAT paid over to SARS. VAT input receivables and VAT output receivable are shown in notes 14 and 7 respectively. All VAT returns have been submitted by the due date thro

**Pay as You Earn (PAYE)**

Current payroll deductions

Amount paid current year

**Balance unpaid**

<b>-</b>	<b>-</b>

**Unemployment Insurance Fund (UIF)**

--	--

Current payroll deductions  
Amount paid current year  
**Balance unpaid**

-	-

**ADDITIONAL DISCLOSURES IN TERMS OF SECTION 125 OF MUNICIPAL FINANCE MANAGEMENT ACT, 2003**

**Medical Aid**

Current payroll deductions

1,455,779

Amount paid current year

- 1,455,779

**Balance unpaid**

**Pension Fund**

Current payroll deductions

4,083,951

Amount paid current year

- 4,083,951

**Balance unpaid**

**Disclosure concerning councilors**

Section 124(1)(b)

The following councillors had arrear accounts outstanding for more than 90 days as at 30 June 2008:

Clr W Monama, Account no: 0007004890

Clr EM More, Account no: 0007012518

**Total**

Outstanding less than 90 days	Outstanding more than 90 days
----------------------------------	----------------------------------

	9,176
	5,868
-	15,044

In terms of this section, any arrears by individual councillors to the municipality for rates and services, which at any time during the relevant financial year was outstanding for more than 90 days, including the names of those councillors must be disclosed.

#### **CONTINGENT ASSETS**

During the financial year 2007/2008 there was a robbery at the Traffic department for an amount of R97,369.50. The matter was reported to the Police, case No 16/07/2007, and the matter was also reported to the Council's Insurance company, AON. The latter has forwarded an agreement of loss for an amount of R50,000.00, inclusive of an excess amount of R3,000.00

During the year payments were made to Lepelle Northern Water in respect of Bulk Water purchases. The municipality is of the opinion that this expense should be covered through the water service level agreement with the water service authority, Greater Sekhukhune District Municipality. Negotiations are currently underway to resolve this dispute.

**APPENDIX A**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2008**

External Loans	Loan No.	Balance at 30 June 2007	Interest paid during the period	Received during the period	Redeemed or written off during the period	Balance at 30 June 2008
		R	R	R	R	R
<b>ANNUITY LOANS</b>						
DBSA @15% (Issued in 1997 for 20 years)		1,983,317	295,441	-	85,793	1,897,525
DBSA @14.25% (Issued in 1997 for 20 years)		982,528	138,973	-	44,354	938,174
DBSA @ 10.05% (Issued in 1982 for 25 years)			23	-	-	-
DBSA @16.5% (Issued in 2000 for 20 years)		1,102,175	181,421	-	27,172	1,075,003
DBSA @16.5% (Issued in 2001 for 20 years)		279,356	46,047	-	5,240	274,115
DBSA @16.5% (Issued in 1999 for 20 years)		4,295,517	706,652	-	116,198	4,179,319
FNB Fluctuating Interest (2004 for 5 years)		129,068	11,318		129,068	-
<b>Total Annuity Loans</b>		<b>8,771,961</b>	<b>1,379,875</b>	<b>-</b>	<b>407,825</b>	<b>8,364,136</b>
<b>Total External Loans</b>		<b>8,771,961</b>	<b>1,379,875</b>	<b>-</b>	<b>407,825</b>	<b>8,364,136</b>

**APPENDIX B**  
**ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2008**

	HISTORICAL COST					ACCUMULATED DEPRECIATION				Carrying Value
	Opening Balance	Additions/ Transfers	Under Construction	Disposals	Closing Balance	Opening Balance	Additions/ Transfers	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R
<b>INFRASTRUCTURE</b>	<b>27,543,241</b>	<b>5,051,118</b>	-	-	<b>32,594,358</b>	<b>2,657,493</b>	<b>1,687,149</b>	-	<b>4,344,642</b>	<b>28,249,716</b>
Roads, pavements, bridges & stormwater	13,834,341	5,051,118	-	-	18,885,459	1,480,146	1,030,209	-	2,510,355	16,375,104
Water reservoirs & reticulation	751,883	-	-	-	751,883	66,973	37,624	-	104,597	647,286
Fencing	191,577	-	-	-	191,577	191,577	-	-	191,577	0
Car parks, bus terminals & taxi ranks	-	-	-	-	-	-	-	-	-	-
Electricity reticulation	10,407,846	-	-	-	10,407,846	679,879	505,261	-	1,185,140	9,222,706
Sewerage purification & reticulation	1,851,499	-	-	-	1,851,499	191,156	93,475	-	284,631	1,566,868
Housing	-	-	-	-	-	-	-	-	-	-
Street lighting	506,094	-	-	-	506,094	47,762	20,579	-	68,342	437,753
Refuse sites	-	-	-	-	-	-	-	-	-	-
Other (town planning & development)	-	-	-	-	-	-	-	-	-	-
<b>COMMUNITY ASSETS</b>	<b>1,207,902</b>	<b>190,000</b>	-	-	<b>1,397,902</b>	<b>73,418</b>	<b>50,012</b>	-	<b>123,430</b>	<b>1,274,472</b>
Establishment of parks & gardens	6,490	190,000	-	-	196,490	717	6,567	-	7,284	189,206
Sports fields	200,000	-	-	-	200,000	20,000	10,000	-	30,000	170,000
Community halls	-	-	-	-	-	-	-	-	-	-
Cemeteries	442,739	-	-	-	442,739	14,975	14,758	-	29,733	413,006
Libraries	320,000	-	-	-	320,000	21,333	10,667	-	32,000	288,000
Recreational facilities	-	-	-	-	-	-	-	-	-	-
Clinics	230,000	-	-	-	230,000	15,333	7,667	-	23,000	207,000

Museums & art galleries	4,808	-	-	-	4,808	480	160	-	641	4,167
Other (fire services & cemeteries)	3,865	-	-	-	3,865	579	193	-	773	3,093
<b>OTHER ASSETS</b>	<b>31,909,852</b>	<b>1,181,424</b>	-	-	<b>33,091,275</b>	<b>13,753,431</b>	<b>4,921,897</b>	-	<b>18,675,329</b>	<b>14,415,947</b>
Motor vehicles	-	635,619	-	-	635,619	-	84,285	-	84,285	551,335
Plant & equipment	20,790,763	-	-	-	20,790,763	8,523,208	2,860,932	-	11,384,140	9,406,623
Office equipment	11,080,199	545,804	-	-	11,626,003	5,220,186	1,968,903	-	7,189,089	4,436,914
Abattoirs	-	-	-	-	-	-	-	-	-	-
Security measures	38,890	-	-	-	38,890	10,037	7,778	-	17,815	21,075
Civic land & buildings	-	-	-	-	-	-	-	-	-	-
Other land & buildings	-	-	-	-	-	-	-	-	-	-
Other (including IT)	-	-	-	-	-	-	-	-	-	-
<b>LAND AND BUILDINGS</b>	<b>7,633,952</b>	<b>11,139,132</b>	-	-	<b>18,773,085</b>	<b>356,735</b>	<b>276,366</b>	-	<b>633,100</b>	<b>18,139,985</b>
Land	2,146,519	8,343,800	-	-	10,490,319	-	-	-	-	10,490,319
Buildings	5,487,433	2,795,332	-	-	8,282,765	356,735	276,366	-	633,100	7,649,665
<b>TOTAL</b>	<b>68,294,947</b>	<b>17,561,673</b>	-	-	<b>85,856,620</b>	<b>16,841,077</b>	<b>6,935,423</b>	-	<b>23,776,501</b>	<b>62,080,119</b>

**APPENDIX C**  
**SEGMENTAL ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2008**

	Opening Balance	Additions/ Transfers	Under Construction	Closing Balance	Opening Balance	Additions/ Transfers	Closing Balance	Carrying Value
	R	R		R	R	R	R	R
<b>EXECUTIVE COUNCIL</b>		-	-	690,912		82,577		
	<b>690,912</b>				<b>112,683</b>		<b>195,260</b>	<b>495,651</b>
Executive Council	690,912	-	-	690,912	112,683	82,577	195,260	495,651
<b>FINANCE &amp; ADMINISTRATION</b>		252,603	-	26,044,216		2,522,012		
	<b>25,791,613</b>				<b>7,580,149</b>		<b>10,102,162</b>	<b>15,942,054</b>
Finance	1,398,217	-	-	1,398,217	426,000	221,685	647,684	750,533
Property services	2,226,057	7,950	-	2,234,007	1,953,914	62,295	2,016,209	217,798
Other & admin	22,167,339	244,653	-	22,411,991	5,200,235	2,238,033	7,438,268	14,973,723
<b>PLANNING &amp; DEVELOPMENT</b>		-	-	25,200,931		2,147,538		
<b>1</b>	<b>25,200,931</b>				<b>5,029,990</b>		<b>7,177,529</b>	<b>18,023,402</b>
Planning & development	25,200,931	-	-	25,200,931	5,029,990	2,147,538	7,177,529	18,023,402
<b>ROAD TRANSPORT</b>		4,776,008	-	8,195,786		-		
	<b>3,419,778</b>					<b>391,137</b>	<b>391,137</b>	
Vehicle licensing & testing	-	-	-	-	-	-	-	-
Roads & stormwater	3,419,778	4,776,008	-	8,195,786	-	391,137	391,137	7,804,649
<b>HEALTH</b>		-	-	1,509,051		255,555		
	<b>1,509,051</b>				<b>887,231</b>		<b>1,142,786</b>	<b>366,265</b>
Clinics	672,881	-	-	672,881	440,832	105,622	546,453	126,428
Health - other	836,170	-	-	836,170	446,399	149,933	596,333	239,837
<b>COMMUNITY &amp; SOCIAL SERVICES</b>		2,823,262	-	7,842,315		424,477		
	<b>5,019,053</b>				<b>1,135,699</b>		<b>1,560,176</b>	<b>6,282,139</b>
Libraries & archives	519,075	-	-	519,075	288,458	34,921	323,379	195,696
Community halls & facilities	4,057,239	2,823,262	-	6,880,501	832,266	374,798	1,207,064	5,673,437
Cemeteries & crematoriums	442,739	-	-	442,739	14,975	14,758	29,733	413,006
<b>PUBLIC SAFETY</b>		-	-	188,874		32,410		
	<b>188,874</b>				<b>112,166</b>		<b>144,576</b>	<b>44,298</b>
Fire	8,717	-	-	8,717	2,233	1,425	3,658	5,059
Traffic	152,666	-	-	152,666	89,396	29,826	119,221	33,445

Security Services	27,491	-	-	27,491	20,538	1,159	21,696	5,794
<b>SPORT &amp; RECREATION 1</b>	<b>1,700,163</b>	<b>-</b>	<b>-</b>	<b>1,700,163</b>	<b>537,719</b>	<b>166,323</b>	<b>704,042</b>	<b>996,121</b>
Sport & recreation	1,700,163	-	-	1,700,163	537,719	166,323	704,042	996,121
<b>TECHNICAL DEPARTMENT</b>	<b>2,546,812</b>	<b>9,709,542</b>	<b>-</b>	<b>12,256,354</b>	<b>557,870</b>	<b>564,217</b>	<b>1,122,087</b>	<b>11,134,268</b>
Mechanical Workshop	105,041	-	-	105,041	22,041	11,417	33,458	71,582
Technical General	2,441,772	9,709,542	-	12,151,314	535,829	552,800	1,088,628	11,062,686
<b>WASTE WATER MANAGEMENT</b>	<b>4,542</b>	<b>-</b>	<b>-</b>	<b>4,542</b>	<b>4,501</b>	<b>1</b>	<b>4,503</b>	<b>39</b>
Sewerage	4,542	-	-	4,542	4,501	1	4,503	39
<b>WASTE MANAGEMENT</b>	<b>212,178</b>	<b>-</b>	<b>-</b>	<b>212,178</b>	<b>38,168</b>	<b>37,761</b>	<b>75,929</b>	<b>136,248</b>
Solid waste	212,178	-	-	212,178	38,168	37,761	75,929	136,248
<b>WATER</b>	<b>1,795,501</b>	<b>-</b>	<b>-</b>	<b>1,795,501</b>	<b>793,349</b>	<b>275,799</b>	<b>1,069,148</b>	<b>726,353</b>
Water distribution	1,573,991	-	-	1,573,991	793,349	264,693	1,058,043	515,949
Water storage	221,510	-	-	221,510	-	11,106	11,106	210,404
<b>ELECTRICITY</b>	<b>215,539</b>	<b>259</b>	<b>-</b>	<b>215,798</b>	<b>51,552</b>	<b>35,615</b>	<b>87,167</b>	<b>128,631</b>
Electricity distribution	215,539	259	-	215,798	51,552	35,615	87,167	128,631
<b>TOTAL</b>	<b>68,294,947</b>	<b>17,561,673</b>	<b>-</b>	<b>85,856,620</b>	<b>16,841,077</b>	<b>6,935,423</b>	<b>23,776,501</b>	<b>62,080,119</b>



**APPENDIX E (1)**  
**ACTUAL OPERATING VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2008**

	2008 Actual R	2008 Budget R	2008 Variance R	2008 Variance %	Explanations of significant variances greater than 10% versus budget
<b>REVENUE</b>					
Property rates	4,743,322	5,000,000	(256,678)	(5.13)	
Service charges	17,030,641	19,600,100	(2,569,459)	(13.11)	
Rental of facilities and equipment	88,548	67,700	20,848	30.79	
Investment Revenue – external investments	832,546	4,620,000	(3,787,454)	(81.98)	
Interest earned – outstanding debtors	295,110	200,000	95,110	47.55	
Licenses and permits	8,463,323	8,756,250	(292,927)	(3.35)	
Government grants and subsidies received - operating	27,049,648	27,488,300	(438,652)	(1.60)	
Government grants and subsidies received - capital	6,060,985	7,053,000	(992,015)	(14.07)	
Public contributions, donated and contributed property, plant and equipment	9,515,910	-	9,515,910	#DIV/0!	
Other revenue	1,364,180	1,790,950	(426,770)	(23.83)	
Fair Value Adjustment - Land held for sale	-	-	-	#DIV/0!	
<b>Total Revenue</b>	<b>75,444,211</b>	<b>74,576,300</b>	<b>867,911</b>	<b>1.16</b>	

**APPENDIX E**  
**ACTUAL OPERATING VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2008**

	2008 Actual	2008 Budget	2008 Variance	2008 Variance	Explanations of significant variances greater than 10% versus budget
--	----------------	----------------	------------------	------------------	---

	R	R	R	%
<b>EXPENDITURE</b>				
Employee related costs	24,467,813	25,522,170	(6,325,029)	(20.54)
Remuneration of councillors	4,995,679	5,270,672	(274,993)	(5.22)
Bad debts	215,310	90,000	125,310	139.23
Depreciation	6,935,423	-	6,935,423	#DIV/0!
Repairs and maintenance	2,379,539	3,209,760	(830,221)	(25.87)
Finance cost	1,393,718	1,399,000	(5,282)	(0.38)
Bulk purchases	8,578,372	9,093,000	(514,628)	(5.66)
General expenses (including abnormal expenses)	21,476,893	23,891,894	(2,415,001)	(10.11)
Fair Value Adjustment - Land held for sale	227,176	-	227,176	#DIV/0!
<b>Total Expenditure</b>	<b>70,669,925</b>	<b>68,476,496</b>	<b>2,193,429</b>	<b>3.20</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>4,774,287</b>	<b>6,099,804</b>	<b>(1,325,517)</b>	<b>(21.73)</b>

**APPENDIX G**  
**DEVIATION FROM PROCUREMENT PROCESSES**  
**Supply Chain Regulation 36(2)**  
**for the year ended 30 June 2007**

**Council General**

A quotation was awarded to the Mayor's spouse Maphanga S D for transporting ward committee members from Vriesgewaght, Motseleope, Nagadi Senyane, Nonotoloaneng, Gamasha and Moomane to Tsimanyane for an amount of R3,000.00

**Finance and Administration**

Deviation from normal procurement procedure due to the urgency of the item as indicated in the SCM Policy paragraph 37, for not advertising for seven days in the notice boards. Procurement from Seswai Trading Enterprises for graphic design and printing of budget copies, budget speech and purchasing of roller banners and stands for an amount of R227,521.20

## 4.2 Audit report of the Auditor General

### **REPORT OF THE AUDITOR-GENERAL TO THE LIMPOPO PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE GREATER MARBLE HALL MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2008**

#### **REPORT ON THE FINANCIAL STATEMENTS**

##### **Introduction**

1. I was engaged to audit the accompanying financial statements of the Greater Marble Hall Municipality which comprise the balance sheet as at 30 June 2008, income statement, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 1 to 29.

##### **Responsibility of the accounting officer for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the entity-specific basis of accounting and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2007 (Act No.1 of 2007) (DoRA). This responsibility includes:
  - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
  - selecting and applying appropriate accounting policies
  - making accounting estimates that are reasonable in the circumstances.

##### **Responsibility of the Auditor-General**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Because of the matters discussed in the Basis for disclaimer of opinion paragraphs, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

##### **Basis of accounting**

4. The municipality's policy is to prepare financial statements on an entity-specific basis of accounting.

##### **Basis of disclaimer of opinion**

##### **Accounting policy**

5. The municipality compiled the financial statements for the year ended 30 June 2008 using the basis of accounting as set out in the accounting policy notes on pages 8 to 18 of the annual financial statements. However, no approval was granted by the National Treasury to prepare financial statements in terms of this basis of accounting. Financial Statements should have been prepared according to the entity-specific based of accounting as per the Institute of Municipal

Finance Officers (IMFO) guideline. The specific effect of the untimely conversion could not be calculated as the journals were drafted in such a manner that there was no audit trail.

6. Since the auditee was not able to compile the financial statements according to the entity-specific (IMFO) basis of accounting, the following components were not disclosed or inaccurately disclosed:

- Statutory funds
- Reserves
- Retained surplus
- Trust funds
- Fixed assets
- Deferred charges
- Inventory
- Revenue: Donations
- Expenditure: Depreciation

7. The following disclosure notes were incorrectly disclosed as a result of the financial statements not being compiled on the correct basis of accounting:

- Basis of presentation
- Funds and reserves (including annexure A)
- Fixed assets (including annexure C)
- Investments
- Inventory
- Income recognition
- Retirement benefits
- Surpluses and deficits
- Treatment of administration and other overheads expenses
- Deferred charges

8. The conversion journals posted on the audited 2007 comparative balance on the retained surplus vote could not be audited, since these journals could not be substantiated with supporting reconciliations, acceptable reasons or calculations to an amount of R41 million.

The following paragraphs provide more details on the specific balances as included in the financial statements:

#### **Appropriated funds**

9. I was unable to confirm and verify the amounts as disclosed in the financial statements since the municipality could not provide me with proper reconciliations and reasoning for the differences between the annual financial statement balance of R42,35 million and the general ledger balance of R41,98 million, resulting in a difference of R370 161.

10. The opening balance of the accumulated surplus and deficit account differed from the audited closing balance for the prior financial year by an amount of R1, 4 million. I was unable to verify and confirm the completeness and accuracy of the amount disclosed in the annual financial statements.

11. A journal, affecting numerous general ledger accounts to the amount of R48,5 million was posted without any physical evidence of authorisation, supporting documentation, calculations and/or acceptable reasons. The effect on the appropriated funds was an adjustment of R12,4 million. Due to the lack of documentation, I was unable to confirm and verify the completeness, accuracy and occurrence of the transactions within appropriated funds.

#### **Cash and cash equivalents**

12. An unexplained difference to the amount of R253 432 was identified between the general ledger and the bank balance as per bank statement at 30 June 2008. I was unable to rely on or confirm the completeness and valuation of the bank account of the municipality by alternative means.
13. My audit procedures revealed that the outstanding cheque list at 30 June 2008 provided by the municipality is overstated by R1,2 million.
14. A journal amounting to R723 503 that needed to be passed to account for direct charges against the bank account was only partially posted. The amount adjusted was R194 028. If the complete transaction of R723 503 had been posted, the expenditure on the vote would have increased, and cash and bank would have decreased by an additional amount of R529 415.

#### **Grants and assistance**

15. DoRA grants received as per the bank statements for the period under review amounting to R31,3 million could not be reconciled with the revenue on grants and assistance as per general ledger amounting to R28,8 million. This resulted in an understatement of revenue to the amount of R2,4 million and an understatement of the cash and bank to the same amount.
16. The final reconciliation amounting to R5,7 million provided to me on DoRA (Municipal Infrastructure Grant) grants did not agree to the balance reflected in the financial statements amounting to R4,8 million. This resulted in an unexplained difference of R829 946. The municipality's records did not permit the application of alternative audit procedures, as a result the completeness and valuation of this balance in the financial statements could not be confirmed.

#### **Inventory**

17. The year-end stock count and the stock valuation roll as on 30 June 2008 did not agree to the annual financial statements, reflecting an overstatement of R415 552. Had the stock amount in the general ledger been adjusted to the correct amount of stock at year-end, the inventory for the period would have been stated at R508 710.

#### **Operating expenditure**

18. Journals amounting to R82,8 million, posted to different line items in the annual financial statements were not substantiated by supporting documentation, reconciliations, calculations or acceptable reasons. As a result, I was unable to verify the completeness and accuracy of operating expenditure amounting to R70,7 million in the financial statements.

## **Payables**

19. Journal transactions on "other creditors" (cheques not banked) amounting to R1 million could not be substantiated with supporting documentation, calculations or acceptable reasons.
20. The unutilised grants included in other creditors in the annual financial statements to the amount of R2,8 million were not reconciled at year-end. By applying alternative procedures, it was found that the unutilised grant votes had been made up of journals amounting to R3, 6 million which could not be substantiated with supporting documentation.
21. Management failed to furnish me with a reconciliation and proper reasoning as to why there was a difference of R199 324 between the trade creditors reconciliation amounting to R3,9 million and the general ledger balance of trade creditors to the amount of R4,1 million. I was unable to verify the completeness, valuation and existence of trade creditors in the annual financial statements to the amount of R4,1 million.
22. Alternative procedures performed for invoices received after year-end revealed creditors amounting to R453 130 were incorrectly recorded in the current financial year. Operating expenditure in the annual financial statements has also been overstated by the same amount
23. Alternative procedures performed for invoices received in the 2007-08 financial year revealed unrecorded creditors amounting to R279 561. Operating expenditure in the annual financial statements as also been understated by the same amount.
24. The municipality could not provide me with supporting documentation for retention money to the amount of R226 109, as disclosed in the financial statements. As a result, I was unable to satisfy myself as to the completeness, existence and valuation of and obligations relating to this amount in the financial statements.

## **Property, plant & equipment**

25. A difference of R3,9 million was noted between the opening balance in the fixed asset register and figure reflected in the audited 2006-07 financial statements. No reconciliation for this difference was provided and I was unable to verify the completeness, existence and valuation of and the rights relating to this opening balance.
26. Additions to property, plant and equipment to the amount of R462 155 could not be confirmed as no supporting documentation could be found in the cheque, direct bank transfers and journal files. Consequently, I did not obtain all the information and explanations I considered necessary to confirm the existence and valuation the additions in the financial statements.

## **Provisions**

27. A journal amounting to R980 697 was incorrectly captured in the accounting records at R543 855 resulting in the understatement of both the leave provision of R1, 4 million and the compensation of employees by R436 842 in the financial statements.

### **Receivables**

28. Unsupported journals to an amount of R2,9 million had been processed on sundry debtors. I was therefore unable to verify the existence, occurrence and completeness of sundry debtors.
29. I was unable to verify the valuation and existence of the Value Added Tax (VAT) balance of R180 443 in the annual financial statements since the reconciliation between the VAT return and the VAT balance as per financial statements differs by an amount of R387 586.
30. I was unable to obtain appropriate reasons for the basis used for calculating the provision for doubtful debts of R3, 2 million as recorded in the financial statements. My procedures revealed that the provision for bad debts should be R4,3 million. The provision for bad debts is therefore understated by an amount of R1,1 million, which will result in a reduction in the surplus recorded for the year by the same amount.
31. No bad debts were written off for the period under review; however, a council resolution had approved bad debt to be written off on the Leeuwnfontein Township Indigents to an amount of R1,3 million. This resulted in an overstatement of receivables to an amount of R 1, 3 million and an understatement of operating expenditure by the same amount.

### **Related parties**

32. Even though the municipality maintains the declaration of staff member's interest forms where individual staff members can declare their financial interest in companies and organisations, we could not obtain evidence that the municipality had procedures in place to identify related parties and related-party transactions for senior management spouses, close family and persons in service of the state. In addition, no related parties or related-party transactions had been disclosed in the financial statements.

### **Revenue**

33. A material prior year audit finding amounting to R3,2 million resulted in an overstatement of revenue in the prior year, but had not been adequately resolved. The opening balance on the accumulated surplus was therefore still overstated by the same amount.

### **Taxes**

34. Contrary to the VAT Act, 1991 (Act No. 89 of 1991), VAT amounting to R209 604 was incorrectly claimed. This resulted in an overstatement of input taxes to an amount of R209 604 and an understatement of operating expenditure with the same amount.

### **Disclaimer of opinion**

35. Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the Greater Marble Hall Municipality. Accordingly, I do not express an opinion on the financial statements.



## OTHER MATTERS

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

### Internal control

36. The table below depicts the root causes of the matters indicated, as they relate to the five components of internal control. In some instances, deficiencies exist in more than one internal control component.

Reporting item	Control environment	Assessment of risks	Control activities	Information and communication	Monitoring
Appropriated funds	✓		✓		✓
Cash and cash equivalents	✓		✓		✓
Grants and assistance	✓		✓		✓
Inventory	✓		✓	✓	✓
Journal	✓		✓		✓
Operating expenditure	✓	✓	✓		✓
Payables	✓		✓		✓
Property, plant and equipment	✓		✓		✓
Provisions	✓	✓	✓		
Receivables	✓	✓	✓	✓	✓
Revenue	✓	✓	✓		✓
Taxes	✓	✓	✓	✓	✓

**Control environment:** establishes the foundation for the internal control system by providing fundamental discipline and structure for financial reporting.  
**Risk assessment:** involves the identification and analysis by management of relevant financial reporting risks to achieve predetermined financial reporting objectives.  
**Control activities:** policies, procedures and practices that ensure that management's financial reporting objectives are achieved and financial reporting risk mitigation strategies are carried out.  
**Information and communication:** supports all other control components by communicating control responsibilities for financial reporting to employees and by providing financial reporting information in a form and time frame that allow people to carry out their financial reporting duties.  
**Monitoring:** covers external oversight of internal controls over financial reporting by management or other parties outside the process; or the application of independent methodologies, like customised procedures or standard checklists, by employees within a process.

### Non-compliance with applicable legislation

#### Municipal Systems Act, 2000 (Act No. 32 of 2000)

37. Sections 97 to 100 with regard to credit control and debt collection were not adhered to as management failed to take alternative steps in handing over the non-recoverable debtors for debt collecting.

#### Municipal Finance and Management Act, 2003 (Act No. 56 of 2003) (MFMA)

38. A number of instances of non-compliance with the MFMA were identified and the following serve as the more important issues noted:

- Accounting officer duties and, more specifically, in the areas of supply chain management, bank reconciliations and enforcing compliance with the MFMA by officials, were not performed as required by sections 61 to 70.
- The accounting officer did not take reasonable steps to prevent losses, with reference to distribution losses incurred as per section 62(1)(d) of the MFMA.

39. Housing provided to the mayor was not in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998). The provision of housing for a mayor does not fall within the framework of the Public Office Bearers Act and will result in non-compliance with section 167 of the MFMA if occupied at no cost to the mayor or if the residence is let at less than a market-related rate.

#### Matters of governance

40. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which we have assessed as follows:

Matter of governance	Yes	No
<b>Audit committee</b>		
• The municipality had an audit committee in operation throughout the financial year		✓
• The audit committee operates in accordance with approved written terms of reference.		✓
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.		✓
<b>Internal audit</b>		
• The municipality had an internal audit function in operation throughout the financial year		✓
• The internal audit function operates in terms of an approved internal audit plan.		✓
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.		✓
<b>Other matters of governance</b>		
• The annual financial statements were submitted for audit as per the legislated deadlines (section 126 of the MFMA for municipalities and municipal entities)		✓
• The annual report was submitted to the auditor for consideration prior to the date of the auditor's report.		✓
• The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		✓
• No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.		✓
• The prior year's external audit recommendations have been substantially implemented.		✓
<b>Implementation of Standards of Generally Recognised Accounting Practice (GRAP)</b>		
• The municipality submitted an implementation plan, detailing progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 30 October 2007.		✓
• The Municipality substantially complied with the implementation plan it submitted to the National Treasury and the relevant provincial treasury before 30 October 2007, detailing its progress towards full compliance with GRAP.		✓

Matter of governance	Yes	No
<ul style="list-style-type: none"> <li>The municipality submitted an implementation plan detailing further progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 31 March 2008.</li> </ul>		✓

## **OTHER REPORTING RESPONSIBILITIES**

### **REPORT ON PERFORMANCE INFORMATION**

41. I have reviewed the performance information as set out on pages xx to xx.

#### **Responsibility of the accounting officer for the performance information**

42. In terms of section 121(3)(c) of the MFMA, the annual report of the municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local Government: Municipal System Act, 2000 (Act No. 32 of 2000)(MSA).

#### **Responsibility of the Auditor-General**

43. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.

44. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

45. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

#### **Audit findings (performance information)**

##### **Evidence materially inconsistent with reported performance information**

46. The Greater Marble Hall Municipality had set 26 objectives and priorities, which were included in the IDP 2007-08. However, with the final performance review submitted by the municipality, only seven of these priorities and objectives had been reported on.

##### **Lack of sufficient, appropriate audit evidence**

47. The actual performance review performed by management did not include the actual expenditure incurred on each of the seven key performance objectives/indicators as per the budget/IDP. I was not able to verify or confirm by alternative means the actual amounts, due to lack of appropriate documentation.

#### APPRECIATION

48. The assistance rendered by the staff of Greater Marble Hall Municipality during the audit is sincerely appreciated.

*Auditor-General.*

Polokwane

5 December 2008



AUDITOR - GENERAL

### 4.3 Report on the Auditor General's report

The Audit Report for the 2008 financial year, as received on the 5<sup>th</sup> of December 2008, is hereby tabled Audit, along with responses to the items raised by the Office of the Auditor General.

The responses have been structured in such a manner in order to group relating items together and have been cross-referenced with the items on the Audit Report.

#### 1 Basis of Accounting/ Accounting Framework

In accordance with MFMA Circular 44, any Municipality who wishes to convert its basis of Accounting from Fund-accounting to GAMAP/GRAP needs to apply for approval from National Treasury to convert, through the relevant channels at Provincial Treasury before 31 July of the year in which it wishes to convert. Greater Marble Hall applied for approval on the 9<sup>th</sup> of July 2008, and received a confirmation of receipt from the relevant official at Provincial Treasury on the same day (See Annexure A). Since this approval was a mere formality and due to the timeframes in which the financial statements were to be completed, the conversion process continued. (In Limpopo, the majority of the approvals were only received during the first two weeks in September.).

The basis for Qualification as per **Items 5 and 6** in the Audit Report, relate directly to the fact that Greater Marble Hall did not receive the approval to convert due to the fact that Provincial Treasury claimed not to have received the approval request. This is clearly not the case as can be seen in Annexure A.

The financial statements submitted to the Auditor General were compiled in the GAMAP/GRAP format. When it became known that National Treasury could not provide approval due to the late submission by Limpopo Treasury, the Office of the Auditor General requested the service provider, which assisted in the compilation of the financial statements, to submit Appendices A, B and C in the Fund accounting format, as these Appendices represent the material differences between the two Accounting Frameworks. The municipality were explicitly instructed not to recompile the financial statements in the Fund Accounting format, due to time constraints from the part of the Auditor General.

Although the information requested was submitted to the Office of the Auditor General **Item 7** on the Audit Report was still raised.

Basis of Presentation – This relates to the accounting policies as disclosed in the Annual Financial Statements and is qualified due to the different

- accounting frameworks and the fact that the Financial Statements could not be recompiled in the Fund Accounting format.
- Funds and Reserved (Annexure A) - This information was compiled by the service provider and submitted to the office of the Auditor General.
- Fixed Asset (Annexure C) - This information was compiled by the service provider and submitted to the office of the Auditor General
- Investments – In Marble Hall's case, there is no difference between the disclosure of Investments between the Fund Accounting format and GAMAP/GRAP.
- Inventory - In Marble Hall's case, there is no difference between the disclosure of Inventory between the Fund Accounting format and GAMAP/GRAP.
- Income recognition – This is a principle applied in the way a municipality recognises Income forms part of the Accounting Policies. This is not a disclosure item in either Fund Accounting or GAMAP/GRAP as implied in the Audit Report.
- Retirement Benefits – If the GAMAP/GRAP financial statements were indeed audited under the Fund Accounting Framework, as the Audit report and most items for qualification implies, there is no merit for including Retirement Benefits as the separate disclosure refers to GAMAP/GRAP. Even if the Audit was performed under the GAMAP/GRAP framework, low capacity municipalities are exempted from the Retirement Benefit standard until 2010. (Government Gazette 30013).
- Surplus and Deficits – There is a significant difference in the disclosure of surpluses between the Fund Accounting and GAMAP/GRAP accounting Frameworks.
- Treatment of Administration and other overhead expenses – There is also a difference between the treatment of these under Fund Accounting and GAMAP/GRAP
- Deferred Charges – Marble Hall does not have any deferred charges under either the Fund Accounting or GAMAP/GRAP accounting frameworks.

**Item 8** on the Audit Report is a mere summary of the individual entries on the Audit Report. These items are discussed below.

## 2 Appropriated Funds

**Item 9** – This item relates to adjustments which could not be made on the financial system during the 2007 financial year due to system constraints. (The system does not allow for historical processing) These adjustments were made to the opening balances on the 2008 financial figures.

**Item 10** - This item relates to the difference between the opening balances from the previous Audited Financial Statements (2007) and the comparative opening balance figure used in the 2008 financial statements. This difference was caused by entries passed, based on Audit queries raised in 2007 which were subsequently corrected. The Auditor General indicated that they were satisfied with the fact that these corrections were made, however, still included it in the Audit Report. The Auditors also indicated that they could not verify the accuracy of these entries since they could not obtain external verification. However, these entries were passed based directly on the Exceptions raised by the Auditor General during 2007, and the journals were cross-reference with the Auditor Generals reference number, providing a direct trail to their information. The service provider completed all the Lead Schedules, usually compiled by the Office of the Auditor General, in order to assist in the understanding of the differences between the comparative figures and the conversion process which followed.

**Item 11** – These journals represent the Conversion Journals of which a detailed workflow was and explanation was provided to the Auditor General. Amongst others, these journals represented the creation of a Government Grant Reserve, Donations and Public Contribution Reserve and unbundling of the various Fund Accounting Reserves Funds and Reserves. The only verification which can be provided is the calculations and internally constructed reconciliations to support the conversion process. As mentioned, these calculations and reconciliations were provided to the Auditor General.

## 3 Cash and Bank

**Item 12** – The municipality is indeed experiencing a problem with the bank reconciliation. The main reason for this problem lays within the difference in the reporting format of “Items Received” from the Accounting system and the receipts as they appear on the Bank Statements. This problem has been investigated and a process is currently in progress whereby the daily reporting format is reconciled with the cash book and bank statements.



**Item 13** - There was an error on the “Outstanding cheques”, as identified by the Audit Report. However, this item was corrected by the service provider, but the Auditor General refused to accept the amended schedule due to their time constraints.

**Item 14** - This was an oversight by the accounting clerk preparing the journal. A journal of R529 415.00 will be processed to correct the general ledger and the cashbook.

#### **4 Grants and Assistance**

**Item 15** – The difference was partly due to the fact that grants received on the 2006/2007 were included in the grants received for 2007/2008 as reflected in the AFS, and we are in a process of reconciliation of all the grants received strictly for 2007/2008 and the necessary adjustment will be done.

**Item 16** – The difference in the Grant Reconciliation as referred to in this item relates to a portion of the 2007 MIG grants which were not utilised during the previous financial year. This item was disclosed in the “Unspent Grant” portion of the financial statements but had to be excluded from the current “Grant Income received” in the 2008 financial statements. The amount disclosed in the Annual financial statements was disclosed correctly.

#### **5 Inventory**

**Item 17** – The report for write off and adjustment of the difference has since been submitted to Council for approval.

#### **6 Operating Expenditure**

**Item 18** – Once again, these entries relate to the conversion process and the unbundling of Statutory Funds and Reserves as previously required under Fund Accounting. All Journals were provided to the Auditor General, and on numerous occasions were requested to indicate to the municipality and the service provider, exactly which journals they required more information on. Unfortunately, no response was received on these requests.

#### **7 Payables**

**Item 19** - The journals referred to under this item relates to the correction of the bank reconciliation. A detailed working document, in electronic format was provided to the

Auditor General. In addition, the service provider had various work sessions with the Auditor General on the Bank reconciliation. During these work sessions, it was indicated that they were satisfied with the information supplied.

**Item 20** - The difference as referred to in the Audit Report is a result of “Grants Spent not Received” which the Auditor General failed to include in their calculations. This resulted in the Credit balance of the unspent Grants being debited by R800 000. Under Fund Accounting, this “offsetting” process is acceptable, but under GAMAP/GRAP it is not allowed and the debit amount warrants separate disclosure. The Office of the Auditor General refused the correction of this disclosure.

**Item 21** – This difference was caused by entries passed, based on Audit queries raised in 2007 which were subsequently corrected, and affected the creditor’s reconciliation.

**Item 22** – This still needs to be investigated, and the necessary adjustment will be done.

**Item 23** – the creditors in question only supplied Council with invoices after the creditors reconciliation was finalised for AFS.

Trade creditors are based on the amounts as per the official order issued.

Further the as no prior official order issued for these creditors, it was no possible to include as creditors for 2007/2008 financial year.

**Item 24** - The retention reconciliation process currently underway and once completed the necessary adjustment will be processed.

## **8 Property Plant and Equipment**

**Item 25** – The difference relates to the inclusion of assets previously not recognised under the Fund Accounting Format and the exclusion of “Land held for Sale” under GAMAP/GRAP. The reconciliation was indeed provided to the Auditor General as well as a detailed audit trail between the 2007 and 2008 Fixed Asset Register.

**Item 26** – The difference is a direct result of the inclusion of Land previously not recognised under Fund Accounting. This was explained to the Office of the Auditor General and these items were highlighted in the new Asset Register.

## **9 Provision**

**Item 27** – The journal referred to under this item was indeed processed correctly, but was based on incorrect information obtained from the payroll system. The Auditor General refused correction of this item

## 10 Receivable

**Item 28** – This item relates to the recognition of income from Grants. Grant reconciliations were provided to the Auditor General but since they could not obtain external verification, included this item in the Audit Report. However, the recognition of income and its supporting journals is an internal accounting process for which external verification can not be obtained.

**Item 29** – A VAT reconciliation process currently underway and once completed the necessary adjustment will be processed.

**Item 30** – The calculation for doubtful debts was indeed incorrect since the payment level used for this calculation was based on an average payment level during the year and not the average of the 3 months prior to year-end. However, the Auditor General refused correction of the oversight.

**Item 31** – The resolution was implemented in the 2008/2009 financial year, and the consumer accounts were credited accordingly.

## 11 Related Parties

**Item 32** – The Corporate Services has been instructed to put procedure in place to identify related party transactions.

The declarations of interest forms to be distributed to all Councillors and officials.

## 12 Revenue

**Item 33** – A post audit journal will be processed to rectify this query

## 13 Taxes

**Item 34** – Refer to point 29, VAT reconciliation process currently underway and once completed the necessary adjustment will be process.

## 14 Disclaimer of Opinion

**Item 35** – The finance department recognises the fact that certain difficulties are experienced with the bank reconciliation and cashbook related items. We also recognise the fact that certain accounting errors occurred of which most were corrected during the

compilation of the financial statements. The finance department also acknowledges the fact a qualification is warranted based on the problems experienced with the cash book and bank reconciliation. These problems are currently being addressed). However, the following should be placed on record:-

- The financial statements were compiled under the GAMAP/GRAP format although the final approval for the conversion was not received from National Treasury. (Reasons already explained.). No opportunity to correct this was granted by the Auditor General.
- Although the Auditor General, based on the aforementioned, ignored the conversion process and conducted its audit on the financial statements, as if compiled under the Fund Accounting framework, all material items raised in the Report of the Auditor General, except for those relating to Cash and Bank, is a direct result of the conversion process.
- Working documents, explanations, calculations and reconciliations were provided to the Office of the Auditor General. However, the Auditor General was seeking external verification on items which can only be verified through reconciliations and calculation (conversion journals and unbundling processes).
- The Municipality has submitted its financial statements in GAMAP/GRAP format but the audit opinion is based on disclosures of both Fund Accounting and GAMAP/GRAP accounting Frameworks. Due to the significant difference between the disclosure formats, only one of the two formats can logically be used to determine fair presentation.
- The Final Management Report was signed on the 14<sup>th</sup> of November 2008. However, information requested by the Auditor General and forwarded on the 28<sup>th</sup> of October, was only read on the 3<sup>rd</sup> of December 2008. (Annexure A – 2) The Finance Department and service provider made every attempt to provide the Auditor General with information as and when requested, but we are not in control of events once this information has been passed on.
- The finance department and service provider requested the Auditor General on numerous occasions to allow for the correction of the financial statements where information became available after submission of the financial statements, but this request was summarily turned down. This was not the case at other municipalities within the district.

**Item 36** – In addressing this, the Council has appointed Chief Internal Auditor in August 2008 to assist the management in monitoring the implementation of internal control procedures.

Further various trainings programmes have been planned for the current financial year to assist employees in performing their functions.

**Item 37** – The Council has since reinstated the handing over of debtors for collection, and this has yielded good results. Although this is working the challenge is understaffing and the current economic climate is not conducive to effectively effect credit control measures.

**Item 38** – Refer to item 35 for bank reconciliation. Further the situation of water losses has since been brought to the attention of Technical Services which also needs the intervention of Sekhukhune District Municipality as the water service authority.

**Item 39** – The item to revoke the decision taken by Council will be tabled before Council and thereafter the necessary steps to recover the income forfeited will be taken.

**Item 40** – the issues are noted, and Council is in a process of finalising an action plan to address and to ensure the sustainable implementation of certain key government responsibilities.

**Item 46** – Although the IDP mentioned 26 objectives, the seven are the core functions of the municipality, and the rest are the sector department's core functions.

**Item 47** – This was an oversight by the management and this will in future be corrected.

## **Receipt of Approval to Convert**

**From:** Werner Welgemoed [<mailto:werner@akhile.co.za>]

**Sent:** Tuesday, July 09, 2008 12:14 PM

**To:** 'MolotoP@limtreasury.gov.za'

**Subject:** Read:

Your message

To: 'MolotoP@limtreasury.gov.za'

Sent: 2008/07/09 12:14 PM

was read on 2008/07/11 02:38 PM.

## **Receipt of Information sent to Auditor General**

**From:** [nolienvanstaden@ananzi.co.za](mailto:nolienvanstaden@ananzi.co.za) [<mailto:nolienvanstaden@ananzi.co.za>]

**Sent:** Wednesday, December 03, 2008 9:00 AM

**To:** [waw@worldonline.co.za](mailto:waw@worldonline.co.za)

**Subject:** Read: RE: Nolien - 28/10/2008

Your message has been displayed to the user.

## CHAPTER 5 – FUNCTIONAL AREA SERVICE DELIVERY REPORTING

### 5.1 FINANCE AND ADMINISTRATION

Function:	Finance and Administration
Sub Function:	Finance

Reporting Level	Detail	Total	
Overview:	The primary function of the GMHLM is to provide services to the people resident within its borders with a very big responsibility to run its financial efforts in an economic, efficient and effective manner.		
Description of the Activity:	<p>The function of finance within the municipality is administered as follows and includes:</p> <p><i>Revenue management, Debt management, Expenditure Management, Budget control, Accounting services and administration and Financial support.</i></p> <p>These services extend to include the whole area of jurisdiction of GMHLM. The municipality has a mandate to:</p> <p><i>To collect revenue (revenue enhancement), to manage debts (minimise debtors), to management expenditure (expenditure to be according to the budget and no over expenditure), to manage and control budget, and responsible for accounting services and to give support to other Council's departments.</i></p> <p>The strategic objectives of these functions are to:</p> <p><i>To ensure that revenue collection is enhanced to maximum capacity</i></p> <p>The key issues for 2007/2008 are:</p> <p><i>Development of policies and procedure manuals, training of staff, budget control, develop financial plan, develop budget process and system, asset management, revenue enhancement, compilation of the valuation roll and establishment, management and control of SCM unit</i></p>		

Analysis of the Function: 1 & 2											
	Debtor billings and collections: number and value of monthly billings and interest:										
	Month	Water	Electricity	Refuse removal	Sanitation	Rates	Interest	VAT	Total number billed	Total amount billed	Amount received
	July	183,590.76	876,627.60	156,651.82	130,625.00	438,989.12	12,549.18	188,862.08	3,983	1,987,895.56	1,683,417.14
	August	362,110.30	927,139.61	158,306.04	130,303.00	408,468.28	13,026.16	221,184.88	3,998	2,220,538.27	2,016,103.52
	September	343,029.92	900,390.54	158,782.48	130,139.00	423,356.21	13,345.33	214,852.36	4,013	2,183,895.84	2,118,968.20
	October	394,553.78	832,810.65	160,412.20	132,105.00	637,181.70	15,271.40	216,523.36	4,016	2,388,858.09	1,942,293.97
	November	255,811.96	776,810.40	160,437.40	128,137.00	423,665.35	13,870.40	189,041.80	4,022	1,947,774.31	2,155,846.81
	December	389,277.60	844,564.08	160,047.83	131,033.00	418,938.48	15,665.14	212,586.00	4,026	2,172,112.13	1,749,985.67
	January	251,038.10	800,568.35	160,988.96	131,665.00	425,703.24	14,516.76	188,478.31	4,014	1,972,958.72	2,016,849.21
	February	266,747.10	710,767.67	161,344.36	131,176.00	427,623.27	16,614.61	179,080.31	4,062	1,893,353.32	1,665,427.93
	March	305,738.74	789,771.72	152,929.26	132,312.00	430,978.76	14,874.42	193,764.68	4,098	2,020,369.58	2,136,833.82
	April	269,810.00	803,450.01	151,832.76	132,870.00	431,345.46	48,165.23	190,397.59	4,101	2,036,890.25	1,627,461.52
	May	339,325.02	761,758.31	150,789.76	133,588.00	432,588.00	57,850.72	199,416.79	4,115	2,095,444.35	1,902,214.52
	June	500,406.34	791,973.85	157,860.76	138,627.00	432,857.45	59,359.63	219,544.54	4,143	2,300,629.57	1,970,762.91

Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days:					
Month	30 days	60 days	90 days	120 days	Total
July	243,858.11	251,337.58	503,910.52	5,347,237.08	6,346,343.29
August	48,990.08	277,890.99	242,041.06	5,759,607.17	6,328,529.30
September	42,823.08	205,815.67	297,653.11	5,943,813.02	6,490,104.88
October	100,881.20	293,669.92	211,380.11	6,359,231.01	6,965,162.24
November	27,212.86	243,215.83	291,364.72	6,494,604.79	7,056,398.20
December	136,748.40	238,084.93	228,542.53	6,680,730.88	7,284,106.74
January	135,006.05	264,027.09	226,101.52	6,777,985.90	7,403,120.56
February	313,008.50	419,023.22	218,059.61	6,946,241.43	7,896,332.76
March	135,028.70	254,153.37	396,409.22	6,899,445.54	7,685,036.83
April	149,109.91	252,494.33	202,802.45	7,196,225.98	7,800,632.67
May	131,023.70	213,777.02	276,970.10	7,317,686.73	7,939,457.55
June	2,102,868.21	378,965.80	267,027.58	7,690,465.08	10,439,326.67



4	Write off of debts: number and value of debts written off:  For the financial year 2007/2008 there were no debtors written off					
5	Property rates (Residential):  - Number and value of properties rated - Number and value of properties not rated - Number and value of rate exemptions - Rates collectible for the current year	689 128 11	8276600 3110100 332500 1795600			
Reporting Level	Detail	Total				
6	Property rates (Commercial):  - Number and value of properties rated - Number and value of properties not rated - Number and value of rate exemptions - Rates collectible for the current year	142 0 49	11238815 0 832200 2667405			
7	Property valuation: - Year of last valuation - Regularity of valuation	03-Jan-05 4 years				
8	Indigent Policy: - Quantity (number of households affected) - Quantum (total value across municipality)	2958 R1,3 million				
9	Creditor Payments:					
	Creditor	Amount	30days	60 days	90 days	120 days & over
	Amagluglug	20,452.00	30	0	0	0
	Beka (pty) Ltd	10,492.56	30	0	0	0

Charles Fordsdick enter	15,190.50	30	0	0	0
De Graaf under-car	40.00	30	0	0	0
Dela Hardware	966.00	30	0	0	0
E&S Handelaar BK	422.00	30	0	0	0
Glanspunt drukkers	11,639.40	30	0	0	0
Hoeksteen afgri	2,452.69	30	0	0	0
Marble Auto Electrical	470.32	30	0	0	0
Marble Hall Build it	4,249.06	30	0	0	0
Marble Hall Foodmarket	5,513.54	30	0	0	0
Makotla Transport & Construction	17,647.20	30	0	0	0
Multronic (Pty) Ltd	1,368.00	30	0	0	0
Nashua	1,647.30	30	0	0	0
Olivia's catering	8,563.68	30	0	0	0
One Price Stores Co	340.00	30	0	0	0
Rand data forms (Pty) Ltd	16,849.20	30	0	0	0
Vhusile projects & trading	12,391.38	30	0	0	0
Five largest creditors					
Name of Creditor	Amount	30 days	60 days	90 days	120 days & over
Amagluglug	20,452.00	30	0	0	0
Makotla Transport & Construction	17,647.20	30	0	0	0
Rand data forms (Pty) Ltd	16,849.20	30	0	0	0
Charles Fordsdick enter	15,190.50	30	0	0	0
Vhusile projects & trading	12,391.38	30	0	0	0
Credit Rating:					
	Amount	Date			
The Council has not done any credit rating	-	-			

11	<b>External Loans:</b> - Total loans received and paid during the year				
	<b>Loan detail</b>	<i>Opening balance</i>	<i>Capital portion Paid</i>	<i>Interest paid</i>	<i>Closing balance</i>
	FNB	129,068.24	129,068.24	11,317.90	-
	DBSA - 10993/103	1,983,317.29	85,792.61	395,441.60	1,897,524.68
	DBSA - 11022/102	982,527.79	44,535.79	138,972.61	938,174.00
	DBSA - 13291/101	1,102,175.21	27,172.40	181,421.18	1,075,002.81
	DBSA - 13292/102	231,974.08	5,240.43	46,047.10	226,733.65
	DBSA - 13293/103	4,295,516.74	116,198.00	706,652.06	4,179,318.74
12	<b>Delayed and Default Payments:</b>  No repayment of loans were delayed and no default payment was done by Council.				

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<i>Lead, direct and manage staff within Department so that they are able to meet their objectives</i>	<i>The performance feedback sessions were not done due to the failure of Council to cascade performance to the next line of report</i> <i>Departmental meetings were held during the financial year.</i>	In process, budget provision has been made to appoint the Service Provider for PMS review and cascading to lower levels.	Jun-09
Take overall responsibility for the management of department so that all Council policies and procedures are adhered to. This includes policies relating to procurement, finance, treasury, regulations etc.	The following policies were approved by Council during the financial year: asset management , creditor policy, investment policy, suspense account, finance, finance procedure manual, direct payment.The financial staff was informally workshopped on the policies by the CFO	Finalised	Jun-08
Develop and implement a departmental employment equity plan that is in line with Council's Employment Equity Strategy	The Council appointed a female accountant expenditure and male accountant to balance equity in middle management. AMAP	Finalised	Jun-08
Oversee in consultation with the Manager Corporate Services, the training plans of staff so that each staff member within the department has an updated and active training plan	Training plans not in place but training has taken place, the two accountant attended training on financial management with the National Treasury (Salga) Other trainings attended by financial staff were as follows: Munsoft financial system, asset management, GRAP/G	Finalised	Jun-08
Monitor and control the budget of the department and the municipality so that expenditure is in line with Council's requirements and availability of funds	The budget was spent within the parameters of the budget and where there savings virements were effected but the budget was never exceeded. Monthly reports with explanation for deviations submitted to the office of the Mayor and the Municipal Manager.	Finalised	Jun-08
Develop a medium term financial framework within which Council can operate	The financial plan was developed and was approved with the budget 2008/2009	Finalised	Jun-08
Develop and implement a budget process and system that allows for public participation and the alignment of the budget to community needs	Process plan/budget time table approved by Council by 31 August 2007. Budget approved by Council on the 29 May 2008	Finalised	Jun-08

Manage and control budgeting and financial planning so that the strategic direction of Council is reflected in the budget and that the budget is adhered to	Budget submitted to National Treasury on the 11 June 2008 Spending was within the parameters of the budget. All monthly reports were submitted to the office of the Mayor and Provincial Treasury. Financial statement were submitted on the 31 August 2007. All queries were attended to, but the Council receive an adverse audit opinion. The conversion was successfully done for the 2006/2007 financial year.	Finalised	Jun-08
Manage all assets and insurance of Council so that there is adequate cover	The policy was developed and adopted by Council .The asset register was updated and converted to GRAP/GAMAP	Finalised	Jun-08
Manage and control revenue so that Council receives all monies owed to it (Revenue enhancement)	The Council manage to collect data from Elandsraal, Regae and Dichoeng for billing purposes. Credit Policy, Rates policy and tariff policy developed. Debt collection policy also in place. Investment policy adopted and indigent policy also in place.	Finalised	Jun-08
Upgrading of the Munsoft system	The Munsoft system was ugraded to 3i	Finalised	Jun-08
Compilation of the general valuation roll	The municipal property valuer was appointed and the general valuation roll has been implemented with effect from 1 July 2008	Finalised	Jun-08
Manage and control supply chain management unit	The SCM Manager has been appointed and all three bid committes established and SCM Policy adopted	Finalised	Jun-08

Function:	Finance and Administration
Sub Function:	Other Administration (Procurement)

Reporting Level	Detail	Total	
Overview:	Implementation of the SCM policy of the municipality and other procurement legislative framework. Give procurement support to Council departments. Procurement centralised under the department of Finance.		
Description of the Activity:	<p>The function of procurement within the municipality is administered as follows and includes:</p> <p><i>Demand management, acquisition management, disposal management and risk management</i></p> <p>The municipality has a mandate to:</p> <p><i>&lt;List here&gt;</i></p> <p>The strategic objectives of this function are to:</p> <p><i>To give effect to the provision of the constitution, MFMA, PPPFA and other procurement legislations</i></p> <p><i>To transform outdated procurement and provisioning practices into an integrated SCM function.</i></p> <p><i>To ensure that SCM forms integral part of the financial management system of the municipality.</i></p> <p><i>Promote consistency in respect of supply chain management policy and other related policy initiative in the municipality</i></p> <p><i>Align with global trends</i></p> <p>The key issues for 2007/2008 were:</p> <p><i>Establishment of the SCM unit.</i></p> <p><i>Appointment of the SCM Manager.</i></p> <p><i>Ensure that departments understand how the SCM unit operates</i></p> <p><i>Conscientising the departments on the importance of SCM division</i></p> <p><i>Turn around time to avoid unnecessary misunderstanding.</i></p> <p><i>Development of supplier database.</i></p>		

Analysis of the Function:	<i>Statistical information of bid committees</i>		
	1	Details of tender / procurement activities: - Total number of times that tender committee met during year - Total number of tenders considered - Total number of tenders approved - Average time taken from tender advertisement to award of tender Note: Figures should be aggregated over year across all municipal functions	20 18 17 3 months
	2	Details of tender committee: <i>- Details of tender committee membership</i>	
		Adjudication committee: Chairperson: Ms Langa NLP (CFO) members: Mr Phokoane A N, Ms Motsepe C, Ms Komape M and Mr Marais B	
		Evaluation Committee: Chairperson: Mr Mkhwanazi R members: Mr Ramuhuyu T, Mr Mthimunya M and Mr Durie J. Specification Committee: Members appointed on adhoc basis	

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<i>Establishment of Supply Chain Management unit</i>	<i>the unit was established and the Manager appointed in December 2007. All three bid committees established</i>	Completed	30-Jun-08

## 5.2 STRATEGIC PLANNING

Function:	Planning and Development
Sub Function:	Economic Development

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with economic development initiatives		
Description of the Activity:	<p>The function of economic planning / development within the municipality is administered as follows and includes:</p> <p>The Strategic Planning department is committed to improving the quality of life of the community by being accountable to the community, providing services in a sustainable manner, promoting social and economic development, promoting a safe and healthy environment, encouraging public participation and ensuring the efficient and effective utilization of all available resources.</p> <p>The strategic objectives of this function are to:</p> <p><i>Review LED strategy, operationalising the LED strategy and compile competitive action plan for the horticulture cluster</i></p> <p><i>Appoint LED officer to coordinate the activities</i></p> <p>The key issues for 2007/08 are:</p> <p><i>1. Operationalising the 2003 LED strategy and the 2004 Urban Renewal strategy</i></p> <p><i>2. Establishing stakeholder working groups for the four approved clusters namely tourism, meat, informal sector and horticulture.</i></p> <p><i>3. Skills promotion</i></p> <p><i>4. LED strategy revision</i></p> <p><i>5. LED strategy communication</i></p>		
Analysis of the Function:	<p>&lt;Provide statistical information on (as a minimum):&gt;</p> <p>1 Number and cost to employer of all economic development personnel:</p> <ul style="list-style-type: none"> <li>- Professional (Directors / Managers) LED/Tourism Manager</li> <li>- Non-professional (Clerical / Administrative) LED Officer</li> <li>- Temporary</li> <li>- Contract</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p> <p>2 Detail and cost of incentives for business investment:</p> <p>&lt;list details&gt;</p> <p>Note: list incentives by project, with total actual cost to municipality for year</p> <p>3 Detail and cost of other urban renewal strategies:</p> <p><i>LED strategy operationalising, Horticulture cluster Logistic Hub study, marketing, consultants, entertainment and S&amp;T</i></p> <p>Note: list strategies by project, with total actual cost to municipality for year</p> <p>4 Detail and cost of other rural development strategies:</p> <p>&lt;list details&gt;</p>	<p><i>one</i></p> <p><i>one</i></p> <p>&lt;total&gt;</p> <p>&lt;total&gt;</p>	<p><i>R (000s)</i></p> <p>349 920</p> <p>112 693</p> <p>&lt;cost&gt;</p> <p>&lt;cost&gt;</p> <p><i>R (000s)</i></p> <p>&lt;cost&gt;</p> <p><i>R (000s)</i></p> <p>1 843 000</p> <p><i>R (000s)</i></p> <p>&lt;cost&gt;</p>



	Note: list strategies by project, with total actual cost to municipality for year		
5	Number of people employed through job creation schemes: - Short-term employment(Infrastructure projects) - Long-term employment(Bead/Jewelry project) Note: total number to be calculated on full-time equivalent (FTE) basis, and should only be based on direct employment as a result of municipal initiatives	<number> <number>	317 10
6	Number and cost to employer of all Building Inspectors employed: - Number of Building Inspectors - Temporary - Contract Note: total number to be calculated on a full-time equivalent (FTE) basis, total cost to include total salary package	<number> 1	R (000s) 98 611
6	Details of building plans: - Number of building plans approved - Value of building plans approved	<40r> <value>	40 8430808
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	
	Note: Figures should be aggregated over year to include building plan approvals only		
7	Type and number of grants and subsidies received: <list each grant or subsidy separately> Note: total value of specific planning and development grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year. 1.MSIG 2.EU Grant 3.GSDM – Logistic Hub	<total>	R (000s) <value>  734 000 904 991 350 000

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<p>&lt;List at least five key performance areas relative to the above function as articulated in the 2007/08 budget here&gt;</p> <p>1.To source funds for the mplementation of projects that have been identified in the municipality's Integrated Development Plan.</p>	<p>&lt; List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year.</p> <p>1.R904991 grant received from EU and GSDM for LED strategy,Horticulture action plan and Logistic hub study. 2.R250000 received from Vuna Awards to assist 7 LED projects. 3.R734000 received from MSIG for IDP review,functioning of ward committees,billing and comprehensive valuation roll</p>	<p>Financial plan for 2007/8 reflects confirmed funds allocated amounting to R315.8m which includes budgets from Marble Hall municipality- Operating R85.4m and capital 14.4m, GSDM and sector departments.</p>	<p>Increase funds for implementation of projects as identified in the IDP by 20% of the municipality's budget by facilitating the preparation of business plans and making applications for funds in consultation with the Municipal Manager.</p>

<p>2. Develop an IDP that ensures the activities of the municipality and its resource allocation are aligned to political priorities and community needs taking into account human resource and financial constraints.</p>	<p>Process plan has been compiled and approved by Council on 30 August 2007.</p> <p>All ward committees has been visited from 5 September to 27 October 2007. IDP representative forum meetings held on 29 November 2008 and 14 March 2008.(which included sector departments).</p> <p>The draft was approved by Council on 31 March 2008 and has been advertised for public comment on 4 April 2008 and was open for comment until 2 May 2008.</p> <p>Copies of the document as well as the budget and tariffs was handed to the 3 satellite offices and 5 traditional authority offices on 4 April 2008. Community consultation took place during April 08 by Councillors and Management to discuss draft IDP and budget . Comments were received from various wards which was incorporated in the document and has been approved by Council on 29 May 2008.</p> <p>The final document was sent to the MEC on 4 June 2008.</p> <p>Councilor and Ward committee training held in October 2007 at Marble Hall in support and enhancement of ward committee functionality.</p> <p>Strategic planning workshop held on 27 and 28 February 2008 at Bushfellows to align planning process to budgetary process.</p> <p>Ward development plans updated.</p> <p>Annual and departmental business plans compiled at strategic plan meeting from 27-28 February 2008 at Bushfellows.</p>	<p>IDP for 2008/9 approved on 29/5/08.</p> <p>Strategic planning workshop held on 27-28 February 08.</p> <p>Ward development plans updated.</p> <p>Annual and departmental business plans compiled on 27-28 February 2008.</p>	<p>Planning process approved by Council.</p> <p>Evidence to be provided of public participation and communication of the process to stakeholders e.g. publicity of information in the media, guidelines for councillors and staff, etc.</p> <p>Evidence to be provided of education /support given to councilors and ward committee members during the planning process e.g. Councilors training programmes, etc.</p> <p>Evidence to be provided that the strategic planning process is aligned to the budgetary process.</p> <p>Development of Ward level IDP</p> <p>Facilitating the drafting of Annual municipal and Departmental business plans.</p> <p>Empowerment of farmers through Emerging farmers development programme</p>
<p>3. To empower and build the capacity of entrepreneurs so that they are able to understand and have an impact on the economic development and growth of this Municipality.</p>	<p>Data has been obtained of all LED projects and the need of each project has been identified.</p> <p>Training of SMME's entrepreneurs was undertaken by department of labour ,LIBSA and Tompi Seleka.</p> <p>Approval has been given by LED Limpopo from EU funds and GSDM amounting to R4.2m to operationalise LED strategy, to compile a competitive action plan for horticulture cluster ,capacity building of LED and Logistic Hub study which include capacity building of entrepreneurs.</p>	<p>Application made to THETA to provide tourism training to unemployed persons.</p>	<p>Local economic development plan reviewed and approved by Council. Evidence to be provided of public participation in developing the plan.</p> <p>Tourism development and Marketing plan.</p> <p>Marble Hall festival.</p>
<p>4. Facilitate and foster the economic development through planning and increased economic activity in the municipal area.</p>	<p>Approval has been given by LED Limpopo from EU funds and GSDM amounting to R4,2m to operationalise LED strategy, to compile a competitive action plan for horticulture cluster ,capacity building of LED and Logistic hub study which projects will be implemented during 2008 if funds can be obtained</p> <p>Tourism development and marketing plan has been completed.</p> <p>Stall was booked for the Marble Hall festival which took place on 29&amp;30 July 2007 for information centre to market the municipality as well as display of produce from 3 LED projects .</p> <p>Master plan schuinsdraai compiled.</p> <p>Local service providers are used for LED projects i.e. Beads project.Kodomela egg production,Pilot slash project and vuna</p>	<p>Cluster working groups for Tourism, Horticulture, Red Meat and Informal economy has been formed to implement LED strategy.</p>	<p>Schuinsdraai tourism development.</p> <p>LED through procurement of services.</p> <p>Facilitation and coordination of the effective use of the Economic Support Offices</p> <p>Job creation through capital projects</p> <p>Feasibility study Agro</p>

<p>5. To facilitate the implementation of ISRDP projects and the development of Nodal points within the municipality</p>	<p>awards allocation . LIBSA are consulted for advise on a constant basis. Following jobs were created: Woman – 52 Youth – 27 Men - 111 The total spent on projects – R65.3m. Horticulture study completed . Meat cluster included in operationalising of LED strategy which is completed.</p> <p>The Mpumalanga department of local government and housing appointed Tukiso-Tshepo Managers consultants to offer support management to the Sekhukhune district municipality to assist the district with the efficient delivery of its capital infrastructure within the framework of the Integrated Sustainable Rural Development Programm.The consultants compiled a status quo report in regard to projects funded by Mpumalanga sector departments. List of projects funded by GSDM has been obtained and included in the IDP review for 2007/8. Provincial and municipal growth points have been identified in SDF .</p>	<p>DLGH identified Marble Hall as one of the 10 nodal provincial growth points to assist with master plan and Town Planner. Several meetings was held with the Department to assist with the process.</p>	<p>processing. Feasibility study Dairy production.</p> <p>Source funds in consultation with Greater Sekhukhune District municipality for the implementation of Integrated Sustainable Rural Development (ISRDP)Projects Facilitate the development of nodal points in the municipality by preparing a growth plan for these areas.</p>
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### 5.3 COMMUNITY SERVICES DEPARTMENT

Function:	Health
Sub Function:	Clinics

Reporting Level	Detail	Total
Overview:	Includes all activities associated with the provision of primary health services	
Description of the Activity:	<p>The function for the provision of community health clinics within the municipality is administered as follows and includes:</p> <p><i>Primary health care services were transferred to the Provincial Health departement</i></p>	1

Function:	Community and Social Services
Sub Function:	All inclusive

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of community and social services		
		Income	Expenditure
Description of the Activity:	The function of provision of various community and social services within the municipality is administered as follows and includes:		
a)	<b>Library Services</b>		
	Facilitate provision of these facilities		
	Circulation of reading material within Marble Hall Town, Rusoord Old age home and amongst school children	R 388.00	R168 594.00
b)	<b>Arts, Culture and Heritage</b>		
	Facilitate provision of facilities for these services		R 1,333.00
	Promote participation of the Community		
c)	<b>Community Halls/Facilities</b>		
	Facilitate provision of these facilities		
	Management and maintenance		
d)	<b>Child care/Creches</b>		
	Facilitate the provision of these facilities		
	Management and maintenance		
e)	<b>Aged care</b>		
	Facilitate the provision		
	Management and maintenance		
f)	<b>Schools</b>		
	Facilitate the provision of these facilities		
	Management and maintenance		
g)	<b>Sporting facilities</b>		
	Management and maintenance		R 142,515
	Facilitate and maintenance of these facilities		

Analysis of the Function:	h)	<b>Parks and Cemeteries</b>		
		Provide the Service	R 15,780.00	R 1, 967,137
		Management and maintenance		
		These services extend to include all areas within Greater Marble Hall Municipality. The municipality has a mandate to:		
		<i>To protect the rights of every age group</i>		
		<i>To enhance the quality of life of everybody</i>		
		The strategic objectives of this function are to:		
		<i>Establish, promote, manage and develop these services within the Municipality. To promote community participation</i>		
		The key issues for 2006/7 are:		
		<i>To create a database for these groups</i>		
		<i>Raise awareness</i>		
		<i>To extend Library services to the periphery</i>		
		<i>Promote Community participation</i>		
		<i>Broaden the marketing of the services</i>		
		<i>&lt;Provide statistical information on (as a minimum):&gt;</i>		
	1	Nature and extent of facilities provided:		no of users:
		- Library services	1	8130 (registered members is 1250 )
		- Museums and art galleries	0	0
		- Other community halls/facilities	6 halls	36849
		Cemeteries	55	178 000
		- Child care (including creches etc)	38 creches	Roll unknown
		- Aged care (including aged homes, home help)	1 Old age home	108 residents
			21 Home Based Care Groups	Clients unknown
		- Schools (Primary and Schools)	105	Roll unknown
		- Sporting facilities (specify)		
		Statia	2	Roll unknown
		Informal Sports-grounds (Community + Schools)	238	Roll unknown
		- Parks	11 Parks (14.5sq km)	
	2	Number and cost to employer of all personnel associated with each community services function:		R(000s)
		- Library services	2	154 195
		- Museums and art galleries		
		- Other community halls/facilities	0	0
		- Disabled Centre	3	
		- Child care	0	0
		- Aged care	0	0
		- Schools		
		- Sporting facilities	1	R 18.828.00
		Parks and Cemeteries	24	1 151 771
		Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package		
	3	Total operating cost of community and social services function		1 217 892

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
1. Recruitment Selection and appointment of personnel.	Planned to employ three(3) officers: One (1) for gender, disabled, children and aged. One (1) Arts, Culture and Recreation One (1) for Sports	0	3
	Gender, disabled, children and ageds		
	Appointment of temporary staff was done	11	4
	Sports		
2, Cemetery management plan	Cemetery Management Plan was approved( R 280 000)		
3. Community participation	Planned to promote participation in all categories in the entire Municipality	35%	100%

Function:	Public Safety
Sub Function:	Police (Traffic)

Reporting Level	Detail	Total	
Overview:	Focus is only on Traffic function and safety		
Description of the Activity:	<p>The policing and traffic control functions of the municipality are administered as follows and include:</p> <p><b>a) Administrative functions</b></p> <p>Rendering of point duty during peak hours at critical points to relieve traffic congestion and to promote safety</p> <p>Respond to road accidents and provide the required safety measures to make the scene of the accident safe through control of traffic flow, access and people movement</p> <p>Train teachers and school children for scholar patrol to promote road safety</p> <p>Attend court and defend traffic summonses/cases</p> <p>Inspect all public roads within Greater Marble Hall area of jurisdiction and identify dangerous/accident prone spot which lack signs and report to the Superitendant Traffic Lawenforcement Officer</p> <p>Escorts (funerals and functions)</p> <p><b>b) Enforcement Functions</b></p> <p>Motor vehicle inspection</p> <p>Checking of certificates of fitness and Professional Driving Permits</p> <p>Overload checks</p> <p>Execution of by-laws</p> <p>Speed checks</p> <p>Alcohol abuse checks</p> <p>Drivers licence checks</p> <p>These services extend to include <i>all Traffic and Protection Services within Greater Marble Hall Municipality. The municipality has a mandate to implement the following acts:</i></p>		

	<p>The strategic objectives of this function are to:</p> <p><i>Reduce road accident fatalities by 7% yearly. – Corordinate the Promotion of road safety. - Educate communities. - Promote professionalism in the service</i></p> <p>The key issues for 2007/8 are:</p> <ol style="list-style-type: none"> <li><i>1. Strengthening of Traffic law enforcement.</i></li> <li><i>2. Implementation of Arrive Alive project during Easter Holiday and Festive Seasons</i></li> <li><i>3 improve standards and compliance of the Registering Authority</i></li> </ol>		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Number and cost to employer of all personnel associated with policing and traffic control:		R (000s)
	- Divisional Manager	1	R210.502.00
	- Supertendant Traffic	1	R 127930.00
	- Examiners	5	R 639650.00
	- Senior Licensing Officer	1	R 107.859.00
	- Admin Clerk	1	R 80.427.00
	- Traffic Officers	6	R 429360.00
	- Cashiers	4	R281612.00
	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Office includes desk bound police and traffic officers, non-professional includes aides		R1877340
2	Total number of call-outs attended:		
	- Emergency call-outs:	183	
	Road accidents	150	
	Disasters	5	
	Medical	24	
	- Standard call-outs		
	Note: provide total number registered, based on call classification at municipality		
3	Average response time to call-outs:		
	- Emergency call-outs	22.5min	
	- Standard call-outs		
	Note: provide average by dividing total response time by number of call-outs		
	<b>Average calculated: (Min time + Max time/2 = 10+35/2 =22.5)</b>		
4	Total number of targeted violations e.g.: traffic offences:		
	T/O Command	7	R 10000.00
	NO D/L	201	R 201000.00
	NO Prdp	41	R 41000.00
	Reckless Driving	3	R 3000.00
	No U-Turn	118	R 29500.00
	No Stopping	128	R 32000.00
	Speed normal	3908	R 178650.00

	camera		
	Un Lis/Reg M/V	115	R 57500.00
	L/L No Supervision	2	R 2000.00
	Reg Plates	38	R 18750.00
	Lamps (Head)	58	R 15000.00
	Lamps (Stop)	60	R 30000.00
	Lamps (Tail)	16	R 8000.00
	Indicators	17	R 8500.00
	Steering Mech		
	Warning Device	54	R 13500.00
	Tyre's	43	R 10750.00
	Fuel Cap	10	R 5000.00
	Seatbelt's	61	R 15250.00
	Warning Triangle's	24	R 7750.00
	Pass Over loads	52	R 39000.00
	Goods Over loads	2	R 2000.00
	Road Rules	6	R 4500.00
	Fire Extinguisher	27	R 13500.00
	Cell Phones	27	R 37000.00
	Stop Signs	19	R 28500.00
	Unroadworthy m/v	9	R 13500.00
	Barrier lines	6	R 5750.00
	Brakes (Park)	22	R 19000.00
	Brakes (Service)	5	R 2500.00
	No Entry	10	R 7000.00
	Engine Running	8	R 3500.00
	Directional Arrows	7	R 1750.00
	Battery / Electrical		
	CF		
	Danger to Public		R 2000.00
	Mirrors	2	R 500.00
	Oil leakage	1	R 1000.00
	Others	2	R 16000.00
	<b>Total</b>	<b>36</b>	<b>R 705500.00</b>
	Total number and type of emergencies leading to a loss of life or disaster:	10 accident	
		12 deaths	
		610(397 000.00)	
5			
		0	0
	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance		
7			R (000s)
	The plan was to appoint the following officers: 1. Superintendent.		
Key Performance Area	2. Chief Traffic Officer	Current	Target
	3. Traffic Officers		



Strengthening of Traffic Law Enforcement		0	1
	Arrive Alive Project was targeted for the Easter Weekend and Festive Season)	0	9
		0	5
Implementation of Arrive Alive Project	The plan was to organize a joint Road Block with all stake holders	0	3
Corordinanate implementation of Scholar patrols in Schools	Scholar patrols coordinated	0	3
Improve the standard and quality of registration and licensing authority	Examiner of vehicles appointed	1	<p>Appointment of four ( 4 ) Examiner of Drivers Licenses</p> <p>Appointment of Chief License Officer ( 1 )</p> <p>Appointment of a filling clerk</p> <p>Appointment of customer care clerk</p> <p>Appointment of an Examiner of Vehicles</p>

Function:	Waste Management
Sub Function:	Solid Waste

Reporting Level	Detail	Total	
Overview:	Includes refuse removal, solid waste disposal , landfill operations and street cleaning		
Description of the Activity:	<p>The refuse collection functions of the municipality are administered as follows and include:</p> <p><i>The removal of household, business, industrial and garden refuses in Marble Hall Elands kraal and Leeufontein. Street cleaning services only in Marble Hall. Existing permitted landfill in Marble Hall</i></p> <p>These services extend to include Marble Hall,Elands kraal and Leeufontein but do not take account of other smaller towns and rural areas which resides within the jurisdiction of local government. The municipality has a mandate to:</p> <p><i>Provide services in the whole area of jurisdiction</i></p> <p>The strategic objectives of this function are to:</p> <p><i>To extend refuse removal services to all residents in order to provide a clean and safe environment to all residents</i></p> <p>The key issues for 2007/2008 are</p> <p><i>Proper planning for the effective and sustainable service to all residents</i></p> <p><i>Promote clean and safe environments through the service delivery</i></p> <p><i>Extend service to surrounding rural areas</i></p>		
Analysis of the Function:	<p>&lt;Provide statistical information on (as a minimum):&gt;</p> <p>1 Number and cost to employer of all personnel associated with refuse removal:</p> <ul style="list-style-type: none"> <li>- Professional (Engineers/Consultants)</li> <li>- Field (Supervisors/Foremen)</li> <li>- Office (Clerical/Administration)</li> <li>- Non-professional (blue collar, outside workforce)</li> <li>- Temporary</li> <li>Permanent</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p> <p>2 Number of households receiving regular refuse removal services, and frequency and cost of service:</p> <ul style="list-style-type: none"> <li>- Removed by municipality at least once a week</li> <li>- Removed by municipality less often (town)</li> <li>Removed by municipality less often (rural)</li> <li>- Communal refuse dump used</li> <li>- Own refuse dump</li> <li>no refuse collection</li> </ul>	<p><i>R (000s)</i></p> <p>0</p> <p>1</p> <p>0</p> <p>0</p> <p>11</p> <p>13</p> <p>25</p> <p>2465</p> <p>840</p> <p>1260</p> <p>1</p> <p>29470</p>	<p>0</p> <p>See below</p> <p>0</p> <p>0</p> <p>See below</p> <p>See below</p> <p>1 166 624</p> <p><i>R (000s)</i></p> <p>80.00/14.00</p> <p>0</p>

	Note: if other intervals of services are available, please provide details		
3	Total and projected tonnage of all refuse disposed: Domestic, garden and others( tones)	260	
	Note: provide total tonnage for current and future years activity		
4	Total number, capacity and life expectancy of refuse disposal sites: - Domestic/Commercial (number) - Garden (number)	1 1	12 years 12 years
	Note: provide the number of tip sites, their total current capacity and the expected lifespan as at end of reporting period	0	
<b>Reporting Level</b>	<b>Detail</b>	<b>Total</b>	
5	Anticipated expansion of refuse removal service: - Domestic/Commercial - Garden	15000 15000	R (000s) 200 000 Included above
	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
6	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household)	na na	
	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.		
7	Total operating cost of solid waste management function		2 697 001.00

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Extension of services to Zamenkomst	Extended to Zamenkomst others will follow		
Management plans	Implemetation of plans in areas – challenge funding to do so Implement new collection system in Marble Hall town		

## 5.4 TECHNICAL SERVICES

Function:	Waste Water Management
Sub Function:	Sewerage etc

Reporting Level	Detail	Total	Cost
Overview:	Includes provision of sewerage services not including infrastructure and water purification, also includes toilet facilities		
Description of the Activity:	<p>The sewerage functions of the municipality are administered as follows and include:</p> <p><i>Operation and maintenance of existing sewerage services and Provision of VIP toilets</i></p> <p>These services extend to include areas within the jurisdiction of Municipality. The municipality has a mandate to:</p> <p><i>To provide basic sanitation to the community</i></p> <p>The strategic objectives of this function are to:</p> <p><i>To provide an adequate and appropriate sewer systems for urban part as well as appropriate measures for the rural part</i></p> <p>The key issues for 2007/08 are:</p> <p><i>Operation and maintenance of existing sewerage services and Provision of VIP toilets</i></p>		
Analysis of the Function:	<p>Number of households with sewerage services, and type and cost of service:</p> <p>1</p> <ul style="list-style-type: none"> <li>- Flush toilet (connected to sewerage system)</li> <li>- Flush toilet (with septic tank)</li> <li>- Chemical toilet</li> <li>- Pit latrine with ventilation</li> <li>- Pit latrine without ventilation</li> <li>- Bucket latrine</li> <li>- No toilet provision</li> </ul> <p>Note: if other types of services are available, please provide details</p>	<p>1152</p> <p>N/A</p> <p>N/A</p> <p>1106</p> <p>N/A</p> <p>N/A</p>	<p>R (000s)</p> <p>3,500</p> <p>N/A</p> <p>N/A</p> <p>5,530</p> <p>N/A</p> <p>N/A</p>
2	<p>Anticipated expansion of sewerage:</p> <ul style="list-style-type: none"> <li>- Flush/chemical toilet</li> <li>- Pit latrine</li> <li>- Bucket latrine</li> <li>- No toilet provision</li> </ul> <p>Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality</p>	N/A	R (000s) N/A
3	<p>Free Basic Service Provision:</p> <ul style="list-style-type: none"> <li>- Quantity (number of households affected)</li> <li>- Quantum (value to each household)</li> </ul>	N/A	N/A
	Detail	Total	Cost
	Total operating cost of sewerage function		R (000s)
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Maintain existing infrastructure	Maintain existing infrastructure	100%	100%
Keerom Sanitation	Completed 250 VIP toilets	100%	
Uitvlugt Sanitation	Completed 300 VIP toilets	100%	
Tshikanoshi	Completed 117 VIP toilets	100%	

<b>Function:</b>	<b>Housing</b>
<b>Sub Function:</b>	<b>N/A</b>

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with provision of housing		
Description of the Activity:	<p>The function of provision of housing within the municipality is administered as follows and includes:</p> <p><i>Approval of buiding plans, Facilitate plan and development of housing need, Construction and monotoring of housing projects</i></p> <p>These services extend to include the areas within the jurisdiction of GMHM. The municipality has a mandate to:</p> <p><i>To provide low cost and affordable housing to the community</i></p> <p>The strategic objective of this function is :</p> <p><i>To ensure tthat the housing need of people in muniaipal area is met</i></p> <p>The key issues for 2006/07 are:</p> <p><i>Approval of buiding plans, Facilitate plan and development of housing need, Construction and monotoring of housing projects</i></p>		
Analysis of the Function:	Type of habitat breakdown:		
	- number of people living in a traditional dwelling	4600	
	1 - number of people living in a flat in a block of flats	137	
	- number of people living in a town/cluster/semi-detached group dwelling	64	
	- number of people living in an informal dwelling or shack	352	
	- number of people living in a room/flatlet	578	
2	Detail	Total	
	Type and number of grants and subsidies received:		R (000s)
	People H ousing Projects(PHP)	100	3,652
	Total operating cost of housing function		3,652
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Approval of building Plans	Building plans were approved on weekly basis	100%	100%
Construction of 100 Units	The overall physical progress is 70%.	70%	100%

Function: Road Transport			
Sub Function: Roads			
Reporting Level	Detail	Total	Cost
Overview:	Construction and maintenance of roads within the municipality's jurisdiction		
Description of the Activity:	<p>The road maintenance and construction responsibilities of the municipality are administered as follows and include:</p> <p><i>Operation and Maintenance, Construction and Monitoring of infrastructure, Blading of gravel roads,</i></p> <p>These services extend to include the areas within the jurisdiction of GMHM. The municipality has a mandate to:</p> <p><i>Provide safe and appropriate road and stormwater networks in the municipal area</i></p> <p>The strategic objectives of this function are to:</p> <p><i>To promote mobility by upgrading existing access roads and improve stormwater drainage</i></p> <p>The key issues for 2007/08 are:</p> <p><i>Operation and Maintenance, Construction and Monitoring of infrastructure, Blading of gravel roads, Upgrading of access and internal roads</i></p>		
Analysis of the Function:	<p>Total number, kilometres and total value of road projects planned and current:</p> <p>1 - New bitumenised (number)</p> <p>- Existing re-tarred (number)</p> <p>- New gravel (number)</p> <p>- Existing re-sheeted (number)</p> <p>Note: if other types of road projects, please provide details</p>	<p>0</p> <p>2.82</p> <p>0</p> <p>0</p>	<p>R (000s)</p> <p>0</p> <p>6,000</p> <p>0</p> <p>0</p>
	<p>Total kilometres and maintenance cost associated with existing roads provided</p> <p>- Tar</p> <p>- Gravel</p> <p>2 Note: if other types of road provided, please provide details</p>	<p>150</p> <p>200</p>	<p>R (000s)</p> <p>2,000</p> <p>3,500</p>
	<p>Average frequency and cost of re-tarring, re-sheeting roads</p> <p>- Tar</p> <p>- Gravel</p> <p>Note: based on maintenance records</p>		R (000s)
	<p>Estimated backlog in number of roads, showing kilometres and capital cost</p> <p>3 - Tar</p> <p>- Gravel</p>	<p>2.5</p> <p>500</p>	<p>R (000s)</p> <p>6,000</p> <p>900,000</p>
	<p>Detail</p> <p>4 Note: total number should appear in IDP, and cost in future budgeted road construction programme</p>	Total	Cost
	<p>Type and number of grants and subsidies received:</p> <p>&lt;list each grant or subsidy separately&gt;</p>	N/A	<p>R (000s)</p> <p>N/A</p>

	Note: total value of specific road grants actually received during year to be recorded over the five quarters - Apr to Jun this year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
5	Total operating cost of road construction and maintenance function		R (000s)
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Maintain existing infrastructure	Maintain existing infrastructure	100%	100%
Manapyane Access Road	60% Complete	60%	100%
Mamphokgo Access Road	70% complete	70%	100%

<b>Function:</b>	<b>Water</b>
<b>Sub Function:</b>	<b>Water Distribution</b>

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of water		
Description of the Activity:	<p>The water purchase and distribution functions of the municipality are administered as follows and include:</p> <p><i>Operation and maintenance of existing water services , Provision of water by watertrucks and House connections</i></p> <p>These services extend to include the areas within the jurisdiction of GMHM. The municipality has a mandate to:</p> <p><i>To provide potable water to the municipal area</i></p> <p>The strategic objectives of this function are to:</p> <p><i>To provide potable water to the municipal area</i></p> <p>The key issues for 2006/07 are:</p> <p><i>Operation and maintenance of existing water services , Provision of water by watertrucks and House connections</i></p>		
1	<p>&lt;Provide statistical information on (as a minimum):&gt;</p> <p>Number and cost to employer of all personnel associated with the water distribution function:</p> <ul style="list-style-type: none"> <li>- Field (Supervisors/Foremen)</li> <li>- Non-professional (blue collar, outside workforce)</li> <li>- Temporary</li> <li>- Contract</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.</p>	<p>1</p> <p>13</p> <p>15</p> <p>0</p>	<p>R (000s)</p> <p>159</p> <p>978</p> <p>198</p> <p>0</p>
2	<p>Percentage of total water usage per month</p> <p>Note: this will therefore highlight percentage of total water stock used per month</p>		
3	<p>Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer</p> <p><i>Domestic</i></p>	<p><i>to be confirmed</i></p>	<p>R (000s)</p>

4	Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer: <i>Domestic</i>	<i>to be confirmed</i>	<i>R (000s)</i>
5	Total year-to-date water losses in kilolitres and rand <detail total>	670	<i>R (000s)</i> 178
Reporting Level	Detail	Total	Cost
6	Number of households with water service, and type and cost of service: - Piped water inside dwelling - Piped water inside yard - Piped water on community stand: distance < 200m from dwelling - Piped water on community stand: distance > 200m from dwelling - Borehole - Spring - Rain-water tank Note: if other types of services are available, please provide details	965 965 N/A N/A N/A N/A N/A	<i>R (000s)</i> <cost> <cost> N/A N/A N/A N/A N/A
7	Number and cost of new connections: <detail total>	382	<i>R (000s)</i> 613
8	Number and cost of disconnections and reconnections: <detail total>	143	<i>R (000s)</i> 13
9	Number and total value of water projects planned and current: - Current (financial year after year reported on) - Planned (future years) Note: provide total project and project value as per initial or revised budget	N/A	<i>R (000s)</i>
10	Anticipated expansion of water service: - Piped water inside dwelling - Piped water inside yard - Piped water on community stand: distance < 200m from dwelling - Piped water on community stand: distance > 200m from dwelling - Borehole - Spring - Rain-water tank Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality	N/A	
11	Estimated backlog in number (and cost to provide) water connection: - Piped water inside dwelling - Piped water inside yard - Piped water on community stand: distance < 200m from dwelling - Piped water on community stand: distance > 200m from dwelling - Borehole - Spring - Rain-water tank Note: total number should appear in IDP, and cost in future budgeted capital housing programmes	N/A	
12	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household) Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.	N/A	
13	Type and number of grants and subsidies received:		



14	<list each grant or subsidy separately>	N/A	
	Note: total value of specific water grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
	Total operating cost of water distribution function		R (000s)

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Maintain existing infrastructure	Maintain existing infrastructure	100%	100%

Function:	Electricity
Sub Function:	Electricity Distribution

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of electricity in the license area of the Municipality.		
Description of the Activity:	<p>The electricity purchase and distribution functions of the municipality are administered as follows and include:</p> <p><i>Bulk purchase: The Municipality only purchase electricity from ESKOM and have no generation capacity. Distribution: Maintenance of existing medium voltage and low voltage networks. Construction of new extensions. Replacement of equipment and upgrading of capacity. Metering of consumption of all customers Determine tariffs and tariff types Ensure quality of supply. Investigate all complaints and respond to requests</i></p> <p>These services extend to include only the town of Marble Hall but extends to the whole Municipal area where it comes to planning of electrification and investigation of complaints and requests. This includes the implimentation of FBE in the whole area. The distribution of electricity for the rest of the Municipal area is being handled by ESKOM as the service provider. The municipality has a mandate to: Provide every household with electricity. Ensure access to free basic electricity. Ensure dependable quality supply to customers</p> <p>The strategic objectives of this function are to: Properly and costeffectively maintain the electrical networks. Strengthen and expand network where necessary. Connect new customers. Accurate measurement of consumption. Verification of all ESKOM accounts and applications for new connections(municipal).</p>		

	<p>The key issues for 2007/08 are:</p> <p>Bulk electrical supply for extension 6 phase two and three.</p> <p>Bulk electrical supply for Golf Estate Development.</p> <p>Strengthening of low voltage network in Extension 2.</p> <p>Increase capacity in CBD.</p> <p>Transfer administration of FBE to Finance department.</p> <p>Maintain all electrical installations in Municipal buildings and plant in the whole Municipal area.</p> <p>Correct all ESKOM accounts.</p> <p>Complete all new ESKOM supply points.</p> <p>Ensure completion of ESKOM electrification projects.</p>		
Analysis of the Function:	<p>Number and cost to employer of all personnel associated with the electricity distribution function:</p> <p>- Professional (Engineers/Consultants)</p> <p>- Field (Supervisors/Foremen)</p> <p>- Office (Clerical/Administration)</p> <p>- Non-professional (blue collar, outside workforce)</p> <p>- Temporary</p> <p>- Contract</p> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.</p>	<p>1</p> <p>3</p> <p>0</p> <p>3</p> <p>12</p> <p>0</p>	<p>R (000s)</p> <p>413</p> <p>574</p> <p>266</p> <p>146</p>
2	<p>Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer</p> <p><i>Bulk ESKOM supply - Megaflex</i></p> <p>Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:</p>	<p>33043962</p>	<p>R (000s)</p> <p>699</p> <p>R (000s)</p>
3	<p>- Household</p> <p>- Commercial</p> <p>- Industrial</p> <p>- Agriculture</p> <p>- Streetlights</p> <p>- Municipal</p> <p>- Other (Churches, Gov Schools, Old age Home)</p>	<p>9448486</p> <p>4458477</p> <p>1334411</p> <p>2497451</p> <p>520650</p> <p>947973</p> <p>727710</p>	<p>1924</p> <p>1047</p> <p>313</p> <p>103</p> <p>122</p> <p>222</p> <p>160</p>
4	<p>Total year-to-date electricity losses in kilowatt hours and rand</p> <p>1445504kWh</p>	<p>4.37%</p>	<p>306</p>
5	<p>Number of households with electricity access, and type and cost of service:</p> <p><b>Detail</b></p> <p>- Electrified areas</p> <p>- Municipal 60Amp single phase conventional -underground</p> <p>60Amp Pre payment - underground</p> <p>- Eskom (20 to 60 Amp pre-pay) - overhead systems</p> <p>- Alternate energy source</p> <p>- Gas</p> <p>- Paraffin</p> <p>- Solar</p> <p>- Wood</p> <p>- Non electrified</p> <p>Note: if other types of services are available, please provide details</p>	<p><b>Total</b></p> <p>605</p> <p>70</p> <p>29958</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>1864</p>	<p><b>Cost</b></p> <p>24c/kWh</p> <p>43.32c/kWh</p> <p>51.48c/kWh</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p>
Reporting Level			
6	<p>Number and cost of new connections:</p> <p>Number and cost of disconnections and reconnections</p>	<p>10</p>	<p>R (000s)</p> <p>8</p> <p>R (000s)</p>

		287	9
7	Number and total value of electrification projects planned and current:		R (000s)
	- 2007/2008		
8	- Municipal	104	600
	- ESKOM	550	10648
	- Current (financial year after year reported on)		
	-Municipal	0	0
	-ESKOM	557	3000
	- Planned (future years)		
	-Municipal	189	2585
	-ESKOM	263	2104
	Note: provide total project and project value as per initial or revised budget		
	Anticipated expansion of electricity service:		R (000s)
	<detail total>	300	100
9	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
	Estimated backlog in number (and cost to provide) electrical connection:		R (000s)
	<detail total>	1850	13875
10	Note: total number should appear in IDP, and cost in future budgeted capital housing programmes		
	Free Basic Service Provision:		R (000s)
	- Quantity (number of households affected)	1383	428
11	- Quantum (value to each household)	309.66	
	Note: Each household receives 50kWh electricity per month. This is mostly through the service provider ESKOM. Beneficiaries must register and be approved by Municipality.		
	Type and number of grants and subsidies received:		R (000s)
	<list each grant or subsidy separately>	N/A	N/A
12	Note: total value of specific electricity grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
	Total operating cost of electricity distribution function		R (000s)
<b>Key Performance Area</b>	<b>Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance</b>	<b>Current</b>	<b>Target</b>
<i>Bulk supply</i>		100%	100%
<i>Extension 6</i>	Supplied 400 stands in extension 6		
<i>11kV Substation</i>	100% Complete	100%	100%
<i>Electrification of Driefontein Extension</i>	Complete 30 households	50%	100%

<b>Function:</b>	<b>Electricity</b>
<b>Sub Function:</b>	<b>Street Lighting</b>

Reporting Level	Detail	Total	Cost
Overview:	Includes all activities associated with the provision of street lighting to the community		

Description of the Activity:	<p>Street lighting responsibilities of the municipality are administered as follows and include:</p> <p><i>The responsibility for street lighting falls within the functions of the Electr-technical Division of the Municipality.</i></p> <p><i>Maintenance - Departmental</i></p> <p><i>New installations - Departmental and Contractors</i></p> <p><i>Expansion of networks - Departmental</i></p> <p>These services extend to include the whole municipal area. The Municipality has a mandate to:</p> <p>Maintain the existing structures.</p> <p>Expand the service to all villages within its area.</p> <p>The strategic objectives of this function are to:</p> <p><i>Properly maintain the equipment and structures that exist.</i></p> <p><i>Expand the service to all the villages.</i></p> <p><i>To improve the level of service in areas that already have the service.</i></p> <p>The key issues for 2007/08 are:</p> <p><i>Properly maintain all structures</i></p> <p><i>Extension of streetlights - Prov Road 1695</i></p> <p><i>Streetlights in Ext 6 Phase 1</i></p> <p><i>Public lights in Matlal-a-Ramoshebo</i></p> <p><i>Public lights in Driefontein</i></p> <p><i>Public lights in Spitspunt</i></p> <p><i>Public lights in Rathoke</i></p> <p><i>Public Lights in Moeding</i></p> <p><i>Public Lights in Tsimanyane</i></p>		
Analysis of the Function:	<p>1 Number and total operating cost of streetlights servicing population:</p> <p><i>Public lights (masts)</i></p> <p><i>Streetlights</i></p> <p>Note: total streetlights should be available from municipal inventory</p> <p>2 Total bulk kilowatt hours consumed for streetlighting:</p> <p><i>kWh</i></p> <p>Note: total number of kilowatt hours consumed by all street lighting for year</p>	<p>51</p> <p>802</p> <p>705523</p>	<p><i>R (000s)</i></p> <p>125</p> <p>517</p> <p><i>R (000s)</i></p> <p>307</p>

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<p><i>Maintain existing infrastructure</i></p> <p><i>Driefontein Public Lights</i></p> <p><i>Spitspunt Public lights</i></p> <p><i>Rathoke Public Lights</i></p> <p><i>Matlala</i></p> <p><i>Ramoshebo Public Lights</i></p> <p><i>Moeding</i></p> <p><i>Tsimanyane</i></p>	<p><i>Maintain existing infrastructure</i></p> <p><i>Completed 3 high masts lights, Waiting for Eskom to energise</i></p> <p><i>Completed 4 high mast lights , Waiting for ESKOM to energise</i></p> <p><i>Completed 5 high mast lights, Waiting for ESKOM to energise</i></p> <p><i>Completed 5 high mast lights, Waiting for ESKOM to energise</i></p>	<p>100%</p> <p>100%</p> <p>95%</p> <p>95%</p> <p>95%</p>	<p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p>

## 5.4 CORPORATE SERVICES

Function: CORPORATE SERVICES annual report 2007/2008

Function:	Corporate Services: Ensure prudent administration of the Municipality with regard to human and capital assets.		
Sub Functions:	Human Resources, Legal and Administration, Council Support Information and Communication Services		
Reporting Level	Detail		
Introduction	<p>This report covers the activities of the Corporate Services Business Unit for the period ranging 1<sup>st</sup> July 2007 to 30<sup>th</sup> June 2008.</p> <p>The Corporate Services Department comprises the following Sub Directorates:</p> <p style="padding-left: 40px;">Legal and Administration Services Human Resources Service Council Support And Information and Technology Division</p>		
Overview	<p>The strategic and operational activities as duly performed by the Executive Committee and the Municipal Council rely heavily on the prudent and organized nature of the overall administration.</p> <p>Such a demanding responsibility requires a cadre of committed and highly skilled personnel whose allegiance to better service and adherence to Batho Pele Principles remain beyond reproach.</p> <p>Further more, prudent and clearly defined business principles remain key and central to the optimal maximization of organizational excellence.</p> <p>The employees training needs and deficiencies, Employee Assistance Programmes, individual performance, career pathing and multi skilling are all impediments that as a prerequisite require highly trained, skilled, committed and knowledgeable human resource personnel.</p> <p>The premise that an unhappy workforce shall not deliver becomes clearly demonstrated in this regard.</p> <p>It is for this reason that an emphasis on the improvement of administration functions and human resources remain pivotal and core to the Municipality's business. Same applies to human and public relations when dealing with organized labour.</p> <p>The stepping up of all necessary systems and processes with intent to provide a well defined global business standards and principles, remain aspirant in the Corporate Services Directorate's long term strategic objective.</p>		
	<p>The Department has a mandate to:</p> <ul style="list-style-type: none"> <li>✓ <i>Give administrative support to all departments</i></li> <li>✓ <i>Render legal services within the municipality</i></li> <li>✓ <i>Improve administrative systems</i></li> <li>✓ <i>Provide staff and human resource development</i></li> <li>✓ <i>Develop administrative policy documents</i></li> <li>✓ <i>Develop by-laws in conjunction with other user departments, with due regard to national and provincial legislation</i></li> <li>✓ <i>Promote public participation in the activities of the</i></li> </ul>		

***Municipality***

- ✓ *Keep municipal records*
- ✓ *Provide secretarial services to Council Committees*
- ✓ *To regulate communication within and outside the municipality*

The strategic objectives of this Department are to:

- ❖ *Complete Human Resource restructuring and ensure staff morale at all times i.e. State-of-the-art employee satisfaction through skills training, career pathing and overall satisfactory job performance*
- ❖ *Draft and maintain a coherent institutional plan for the municipality with issues related to short term and long term strategic planning for the municipality's corporate outlook*
- ❖ *Development of by-laws and policy formulation as well as document generation in respect of the municipality with intent to enhance efficiency, effectiveness and prudent administration at all times*
- ❖ *Putting mechanisms in place and orderly in order to address HIV/AIDS and its effects in the workplace as in line with all applicable labour laws, with the Country's Constitution as **el supremo***
- ❖ *Updating and maintenance of electronic equipment and software of the Municipality as and whenever necessary*
- ❖ *Enhancement of participation of recognized trade unions in municipal human resource issues i.e. labour relations, skills development and employee wellness programmes*
- ❖ *Statutory compliance*

The key issues for 2007/2008 were:

- ❖ *Development of policies and bylaws*
- ❖ *Provide a clear delegation of powers to political office bearers and heads of Departments*
- ❖ *Transform and change the Municipal logo as well as the name*
- ❖ *Conduct consultative meetings with communities*
- ❖ *Provide clear and sound human resource capital*
- ❖ *Ensure efficient and effective information communication technology*
- ❖ *Ensure compliance with legislation at all levels*
- ❖ *Provide Council support*

Challenges encountered:

Gradual emergence of gross administrative interference by other user Departments, either by error, omission or commission  
Unstructured appointment of officials without due HR and/or technological interface of documentation, resulting in information failure on capturing and filing  
Disregard and sheer ignorance of appointment procedures as duly instructed by labour and human resource statutes.

Incongruent training programmes that are not in tandem with individual employees' needs.

Lack of coherent and intertwined HR filing systems amidst the presence of the VIP HR software programme which is virtually empty as regards information on: Capturing of employees skills, disability status, qualifications, experience and a range of other programmers that the system accommodates.

Inadequate/Inavailability of personnel information in the incumbents'

<p>Analysis of the Function:</p>	<p>personnel files, including Councilors" files.</p> <p>Such a setback has dismally affected the budget projections on training, leading to the training of wrong personnel on the programmes/training needs that they did not apply for.</p> <p>Undue interference in the placement programme, resulting in wrong personnel being deployed in the incumbency they are not legible in All the said impediments had a highly significant negative impact .towards service delivery ,across the board, and shall increasingly continue to do so unless the situation is remedied through strict adherence to systems and processes by the entire personnel.</p> <p>As per mandate given to the Corporate Services Department in respect of the pronounced period, the following is hereby reported:</p> <p><b>1.HUMAN RESOURCE ISSUES AND ADMINISTRATIVE ACTIVITIES</b></p> <p><b><i>1.1.Skills Development</i></b></p> <p>During the period under review, the municipal employees have undergone some training.</p> <p>Note that other employees might have not been captured due to the fact that other officials go to training without the ODO official knowledge, resulting in such data not being captured (report by ODO himself on this serious allegation is available upon official request).</p> <p>Amidst the municipality's size, no amount of energy can know exactly as to who is being trained where on what and for how long.</p> <p>Systems and procedures may assist in this situation if they are to be followed.</p> <p>In one instance for example, a report has been sent to LGSETA, indicating that an amount of R10m (ten million has been spent on training in a certain financial year, within this municipality). A stern investigation on this matter by Corporate Services is underway and shall be reported on soon.</p> <p>Such matters have adversely contributed towards a dire necessity for a cleansed follow up and finding by this Department regarding any form of transaction, expenditure and utilization of human capital especially on hiring, training, pensions projects and other emoluments.</p> <p>A pain in the neck is that the implications of such unfortunate official and public utterances through statutory documentation, do immensely affect the budget projections due to their imperative implications. In addition to such discovery, it could further emerge that a significant number of employees do not have their personnel files in order. In a number of such documents, the following legislative documents have been found to be unavailable:</p> <p>Minutes of the interview, appointment letter, contract of appointment, curriculum vitae of the incumbent, qualifications documentation and a whole range of information that may as well be of value and competitive advantage when one's Work Skills Plan and Career Path are to be drawn.</p> <p>The implication regarding lack of such information includes but not</p>		
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limited to the following:

No career pathing for employees

No skills plan and growth for the employees

No possible tribunal in cases of disputes, unless the Employer is prepared to lose a case

No state of the art budget for training of employees because they are virtually not known at all.

Nonetheless plans are being mooted, with clear intentions to correct such previous and unfortunate occurrences.

In the light of such thorny findings, the following is hereby forwarded as a report from the Organisational development/Skills Development officer.

#### **PROGRAMMES:**

As the Municipality we managed to organize programs such as the Customer Services and Project Management almost everyone who attended the courses submitted their assignments. These programs were offered by University of Pretoria respectively. We have recently received our Certificates of Customer Services from University of Pretoria. We are still waiting the results of Project Management from the same Institution. We are also still trying to organize Computer Courses for the new placed office staff, but lack of funds are making things difficult for organizing that course for newly placed staff. We are still trying to arrange more courses especially for Labor Relations Officer and myself as the Organizational Development Officer also Occupational Health Officer. Another program which took place in our Municipality is HIV-AIDS Awareness.

#### **CHALLENGES:**

As the Municipality we are facing serious challenges such as lack of support from our management. Sometimes we organize workshops and courses and some Managers are not allowing their staff to attend. Other challenge some Managers are organizing the courses or workshops for their own staff without any consultation with ODO and the training committee after that they do not even submit the reports. That thing always creates lot of problems especially during the completion of WSP.

#### **ACHIEVEMENTS:**

We managed to organize two programs for June Month from University of Pretoria named as Customer Services or Public Service Excellence and Project Management respectively. And only those who submit their assignment were declared competence, only for Public Service Excellence and we are still waiting results for Project Management. Training Committee together with Organizational Development Officer met with Municipal Manager concerning the Training Policy. And came up with an agreement that every trainings which are taking place within this Institution must via Training Committee first for approval and healthy operation in terms of compilation of WSP and ATR. Again there are some officials who still attending certain courses currently. Others attended VIP courses and even Councilors benefit from certain trainings from this Institution.

#### **TRAININGS:**

We are busy trying to organize the computer literacy course for newly placed staff in offices. Some Mabotha MS, Maree R, Nkgudi P, Masenya R, Masenya R, Malesoena P and Mashako MS attended munsoft training conducted by munsoft in Johannesburg on the 19-23 January 2009.

#### **BUDGET:**

The most problem and challenging issue is even though we are having such a dedicated Training Committee but we do not have an access and control on the budget. We have been allocated budget but no one of Training Committee and even the Skill Development



Facilitator or ODO does not have an access. At the beginning of the financial year Trainings allocated certain amount and after two to three Months certain part of our budget have already been spent without the knowledge or informing the ODO and the Training Committee. And thing creates lot of problem because there are only few individuals who are benefiting from the budget especially from Management side and the entire employees of this Institution do not benefit from this programs.

**KPA:**

Training Skill Development- Making sure that every employee in this Municipality is attending workshops and courses. Four officials from Traffic Section have received computer literacy training currently. Some managers are attending CPMD training and some officials are attending with DBSA, Two community members are receiving experiential training currently in finance section.

Training committee is still 100% functional.

WSP- Completed for 2008-2009 year and submitted.

ATR- Also completed and submitted together with WSP.

Equity Plan – Also completed and submitted.

However, the Skills Development Committee is in existence and it is composed as follows:

Name of official	Gender	Department and official designation	Designation in the Committee
Clr PM Nkadimeng	M	Council- Councillor	Ex officio
Ms BV Mahlaole	F	Legal and Administration- Record Clerk	Member
Mr. MP Segafa	M	Technical- Artisan	Member
Ms MP McDonald	F	Finance- Salary Clerk	Member
Mr. MA Mampa	M	Corporate Services- Typist	Member
Mr. Matlala	M	Technical- Labourer	Member
Mr. T Mothogwane	M	Traffic- Examiner	Chairperson
Mr. F Tjege	M	Technical- Labourer	Member
Mr. SA Ngaka	M	Community Services- Labourer	
Mr. MA Mahlangu	M	Human Resources- Personnel Clerk	Member
Mr SOE Aphone	M	Legal and Administration- Admin Clerk	Secretary

*The performance of this committee is not satisfactory mainly due to the legacy on training in this institution. There seems to have been a history of selective training mainly on the basis of seniority and/or unfair discrimination in one way or another.*

*The functionality and effectiveness of the Committee*

*therefore still tend to be polarized along such lines.*

*Identification of such weaknesses has prompted a deliberate attempt to address such inherent weaknesses in the coming financial year.*

### **1.2. Staff Recruitment**

*The following appointments are officially confirmed. Other appointments are still under stern investigation for verification before an official pronouncement by corporate Services can be issued.*

Name of official	Position	
MP Mokgola	Roads and Storm water	Have since resigned
S Makua	Secretary: Office of the Speaker	
M Komape	Manager: Technical Services	
AN Phokoane	Manager: Corporate Services	
S Mabotha	Supply Chain Manager	

The interview processes have accordingly been conducted. It is herein reported that some information regarding recruitment, selection and appointment cannot be captured and reported on because it has not been verified. It could not be verified because some labour law procedures were either flawed or ignored.

An investigation in that regard is underway and such shall be duly reported.

The Directorate takes cognizance that such malady is unusual and unacceptable.

However such matters require cleansing in that their legal implications may cost the institution some high amounts of fiscal loss.

A special addendum in that regard might be provided as part of this report upon completion of the findings.

### ***Deaths, Resignations and Retirements***

The following officials had their services terminated due to the reasons as specified:

Name of official	Date of termination	Reason
TW Thokwane	30 March 2008	
JAS Van Esch		Retired but reemployed on special concessions with CFO and Municipal Manager due to capacity
MD Bosoga	30 November 2007	Pensions-related
MJ Nkwane	31 January 2008	Same

#### **1.4. Temporarily- employed Staff**

During the said municipal financial year, it could be established that there are 68 (sixty eight) temporary employees in various departments within this Municipality of whom the majority emanates from the Community Services Department's Parks and Cemetery Section.

During the Municipal Budget preparatory process, a provision for the appointment of the affected employees (temporary) with intent to place them on permanence was made viz, 2007/2008 financial year.

There have been some disputes and disgruntlements that persist to exist to exist.

In terms of legislation, a final report demands publication and adoption by Council before it can appear as an official and public document.

It may however be submitted that tremendous progress in that regard has been made, forthwith.

#### **1.5. Relocation of staff**

Due to work operational requirements, restructuring and other inevitable work-related necessities, some employees happened to be relocated from one work station to the other, within the municipal jurisdiction.

#### **1.6. Employees Cases**

Disciplinary hearings were conducted

##### **EMPLOYEES CASES**

Name of Employee	Act of misconduct	Hearing
1.Mr MA Mampa	Unauthorized usage of Council money.	Arrangements in place for amicable resolve in terms of labour statutes
2.Mr N Mojela	Intimidation, Fighting ,assault and malicious	outstanding
3.Mr MP Mphahlele and Mr T Chisale	Intimidation and assault	Matter resolved

##### **ARBITRATION**

There is no arbitration in the year under review

##### **SUSPENSION AND DISMISSALS**

There is no suspension or any dismissal during the year under review

#### LOCAL LABOUR FORUM

Four quarterly Local Labour Forums have been held within the said financial year

Date	Venue
05 July 2007	Marble Hall Municipality
29 November 2007	Marble Hall Municipality
24 April 2008	Marble Hall Municipality
23 May 2008	Marble Hall Municipality

## 2. INFORMATION COMMUNICATION TECHNOLOGY

There is no state of the art communication technology network in the satellite offices

Such inefficiency makes communication in these offices increasingly poor.

It is hereby reiterated that the importance of these satellite offices lies in the fact that they attempt to bring services, governance and administration closer to the people and communities as well.

### Progress report on ICT

A 5.8 GHz wireless link was installed(Silo to Municipal Building) on a testing basis for a period of 1 Month.( if not paid it will be removed)

Mr. Patrick Matseke, Mr Tom Du Plooy & Mr Matome Lemekoana) had a meeting to discuss the contract of Time Quantum with that Greater Marble Hall Municipality. The other issue was the name change of the company (Time Quantum to IT Iqazululo). And a letter was sent to us confirming that Time Quantum is giving power to IT Iqazululo to continue its service with the Greater Marble Hall Municipality.

The 5.8 GHz tested that it was working and an order was issued. Leeuwfontein satellite office data line was fixed by Telkom and it awaits to be configured.

Mr Callie Maree's laptop was stolen and it was replaced. Elandskraal office is still down and we are still waiting for Telkom.

2 users were added to the domain. Mr. SR Monakedi and Mr. Thabo Letswalo.

A monitor, keyboard, mouse and docking station was replaced by the insurance to replace the ones that were damaged by the rain in the Community Service Department.

Daily User and desktop Support is being done.

The internet café in the Library is still waiting for application for the diginet line to start operating(Diginet forms still need to be signed)

The Greater Marble Hall Municipality website is still under construction (Information is still being gathered)

The internet café is till waiting for the Diginet line.

The connection in the IEC office was terminated as the user who was based in that office was relocated to the main building.

The Link for workshop connecting traffic got damaged and we are still looking for a perfect permanent solution for that link because we buy a wireless link time and time again.

We had a meeting with DPLG\SITA on a network infrastructure proposal between the 2 parties (Greater Marble Hall Municipality

& Dept of Local Government & Housing)

A list of Policies was sent to us by the Department. and they were forwarded to the Mr R Mkhwanazi.

A wireless survey was made in order to try to make connection between the Main Office and the Leewfontien, Elandskraal and Zamekonst..

A second setup is possible using two repeater sites. The first repeater site is in clear view of Marble Hall and Leeufontein. The second is in clear view of Elandskraal. There is clear LOS between the sites. The sites are placed on the north and south edges of the flat mountain inside the game reserve.

Two 15m high masts is sufficient for the above mentioned setup. It's high enough to ensure LOS between the sites and clear trees and small hills. As mentioned above these mountains are in a protected area and it may be difficult or even illegal to construct masts inside the nature reserve.

A third setup is possible using two repeater sites outside of the nature reserve. The first repeater site is an existing tower on the north-eastern bank of the Arabie Dam. The existing tower is in clear sight from Elandskraal. The Vodacom tower even has LOS to the silo in Marble hall. The second site is placed on the highest point of smaller mountains between Marble hall and Leeufontein. It is in clear view from the silo, leeufontein and the existing Vodacom/Telkom tower.

Construction of a single 15m mast is sufficient for the above mentioned setup. It's high enough to ensure LOS between the sites and clear trees and small hills. The prominent problem for this setup is to get approval from Vodacom/Telkom to make use of their mast. There will also be monthly rental costs payable to the site owner (Vodacom/Telkom).

The contract of the current service provider was turned to a month to month basis and a tender was proposed to be advertised by the service provider which was not advertised only the specification was sent.

Laptops were purchased for all Unit, Div managers and some Politicians.

We again met with DPLG and set a due date to migrate from our current service provider to join their network infrastructure. And our website will be launched hosted soon as we join their infrastructure.

A list of critical equipment to be purchased was sent to us to proceed. We are still busy with the paperwork.

#### **Future Projects**

Join to the DPLG Network Infrastructure

Launch the Greater Marble Hall Municipality

Website([www.marblehall.gov.za](http://www.marblehall.gov.za))

Connect all satellites offices.

Upgrade all IT equipment in our offices( looking in to Leasing)

### **3. COUNCIL SUPPORT**

#### ***3.1. Committees***

The following statutory structures exist within the municipality and are operational:

- Municipal council
- Executive Committee
- Tender Committee
- Ward Committees
- Portfolio Committees

- o Corporate Services
- o Finance
- o Community Services
- o Technical and Planning
- o Rules and Ethics

The Municipal Council, Executive Committee and Portfolio Committees have been meeting as per scheduled programmes except under some extra ordinary circumstances.

The Council sits only once per quarter and Special Council meetings are called when there are urgent matters that need a decision of the Council.

Ordinary meetings		Special meeting	
Date	Total held	Date	Total held
15/10/07 (3 <sup>rd</sup> )	03	12/07/07 (6 <sup>th</sup> )	07
10/12/07 (4 <sup>th</sup> )		30/08/07 (7 <sup>th</sup> )	
26/06/08 (1 <sup>st</sup> )		31/01/08 (1 <sup>st</sup> )	
		29/02/08 (2 <sup>nd</sup> )	
		31/03/08 (3 <sup>rd</sup> )	
		29/05/08 (4 <sup>th</sup> )	
		04/06/08 (5 <sup>th</sup> )	

The Council held a total of TEN (10) meeting for the period under review.

#### Executive Committee Meetings

The Executive Committee remains key and central to the Municipality's operations and generic strategies. It makes decisions on those matters duly delegated to it and recommend to Council through fidelity and prudence.

The Executive Committee is the engine of the Council. The committee makes decisions on those matters delegated to it and recommend to Council on those matters not delegated to it.

Ordinary meetings		Special meeting	
Date	Total held	Date	Total held
15/10/07 (5 <sup>th</sup> )	03	12/07/07 (6 <sup>th</sup> )	09
30/11/07 (6 <sup>th</sup> )		30/08/07 (7 <sup>th</sup> )	
05/06/08 (1 <sup>st</sup> )		04/12/08 (8 <sup>th</sup> )	
		29/01/08 (1 <sup>st</sup> )	
		26/02/08 (2 <sup>nd</sup> )	
		29/02/08 (3 <sup>rd</sup> )	

		31/03/08 (4 <sup>th</sup> )	
		23/05/08 (5 <sup>th</sup> )	
		26/06/08 (6 <sup>th</sup> )	

The Executive committee held a total of TWELVE (12) meetings for the period under **review**.

### Portfolio Committees

The Portfolio Committees exercise political oversight to the Departments and interact with other formations and structures within the Municipality as accordingly appropriated with particular duties, responsibilities and activities

The Portfolio Committee exercise political oversight to the Departments and interact with the Local Labour Forum.

#### 3.1 Corporate Services

Ordinary meetings		Special meeting	
Date	Total held	Date	Total held
	None	01/10/07	05
		22/11/07	
		10/08/07	
		28/01/08	
		22/02/08	

#### 3.2 Community Services

Ordinary meetings		Special meeting	
Date	Total held	Date	Total held
	None	03/11/07	03
		03/12/07	
		22/02/08	

#### 3.3 Financial Services

Ordinary meetings		Special meeting	
Date	Total held	Date	Total held
	None	17/07/07	10
		05/09/07	
		16/10/07	
		28/01/08	
		22/02/08	
		28/02/08	
		11/03/08	
		31/03/08	

			23/05/08	
			25/06/08	
3.4 Technical Services				
Ordinary meetings			Special meeting	
Date	Total held		Date	Total held
	None		26/11/07	02
			22/02/08	
Rules and Ethics committee				
The Rules and Ethics Committee has a responsibility to ensure that Council functions properly and that Councillors adhere to the code of conduct				
No meetings were held for the period under review				
Policies/By Laws/Tariffs				
The following policies were reviewed on the 29 <sup>th</sup> May 2008.				
The following tariffs were revised and approved and became implementable with effect from the 1 <sup>st</sup> July 2008.				
<ul style="list-style-type: none"><li>• Electricity Tariffs.</li><li>• Solid Waste Tariffs.</li><li>• Water and Sewer Tariff.</li><li>• Sundry Tariffs.</li><li>• Property Rates Tariff.</li></ul>				
The following polices were revised and approved and became implementable with effect from the 1 <sup>st</sup> July 2008.				
<ul style="list-style-type: none"><li>• Indigent Policy.</li><li>• Tariff Policy.</li><li>• Credit Control and Debt Collection Policy.</li><li>• Property Rates Policy.</li><li>• Supply Chain Management Policy.</li><li>• Overtime Policy.</li><li>• Traveling and Subsistence Allowances Policy.</li><li>• Recruitment, Selection and Appointment Policy.</li><li>• Cell phone Policy.</li><li>• Organogram.</li></ul>				
Councilors details:				
Total number of Councilors				
Number of Councilors on Executive Committee				
Wards details:				
Total number of Wards				
Number of Ward Meetings				

27	
M	F
05	
M	F
3	2

14	
Average 6.	
140 ward committees	
members.	



		<table><tr><td>M</td><td>F</td></tr><tr><td>64</td><td>76</td></tr><tr><td colspan="2">32 are within age range 35. 19 are above age range 50. None is disabled.</td></tr><tr><td colspan="2"></td></tr></table>	M	F	64	76	32 are within age range 35. 19 are above age range 50. None is disabled.				
M	F										
64	76										
32 are within age range 35. 19 are above age range 50. None is disabled.											
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target								
Bylaws	❖ Waste Management By-Law – sent to Local Government & Housing	80	100								
Public Participation	❖ Council conducted IDP hearings	95	100								
Establishment of Section 79 Committees	❖ Rules and Ethics Committee established but still needs revamp and activation ❖ The Municipality is making use of the District Audit Committee but not actively functional	90	100								